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## House of Representatives

The House met at 10 a.m.

Commander Maurice S. Kaprow, Chaplain Corps, U.S. Naval Reserve, Norfolk, Virginia, offered the following prayer:

Eternal God, today as we gather in this historic and august chamber, we pause to thank You for the many blessings You have bestowed upon our Nation, our constituents, and ourselves. Thank You for making us the strongest, most democratic and compassionate Nation in this wonderful, yet troubled world.

As we meet here in the safety of this House of Representatives, let us remember the many members of our Armed Forces, especially those serving far from home in the midst of danger, at the tip of the spear, bringing the hope of democracy where tyranny once ruled, and the specter of peace to those who for years cowered in terror and lived in tumult.

We pray for the safe return of those deployed to the four corners of the Earth, sailors and Marines, soldiers, airmen, and Coast Guardsmen. Guard their families and give them strength to endure until their service members return to their homes to welcoming arms and the warm embrace of those they love.

Grant us all life and peace, courage and wisdom, as we act today and every day in the best interests of the citizens of these United States, while being ever mindful of those throughout the world community. And let us, say, Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

### PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Colorado (Mrs. MUSGRAVE) come forward and lead the House in the Pledge of Allegiance.

Mrs. MUSGRAVE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### INVESTIGATION NEEDED OF OIL FOR FOOD PROGRAM

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, 7 years ago the United Nations established an Oil for Food program intended for humanitarian relief. Oil was sold to finance the purchase of food, medicine and other relief necessities for the Iraqi people.

The General Accounting Office estimates that more than \$10 billion was stolen from the Oil For Food program. Money that was to help the Iraqi people went to pay off politicians and executives, build a \$20 million Olympic sport facility for Uday Hussein, and spent over \$50 million for promotion for the Husseins' propaganda. They may have even financed weapons that are now being used against our troops.

Oil for Food was the largest UN program in the world at one time. The Iraqi people are owed an explanation for the exploitation of their resources. And if the United Nations is to be treated credibly, they must assist in the investigation of where this money went to; \$10 billion stolen from the Iraqi people. The U.N. needs to come clean on this issue and share with the people where these dollars went.

### EDUCATION IN AMERICA

(Mr. ROSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSS. Mr. Speaker, as the proud son of public school educators and a father of two children attending public school, I am concerned about the state of education in America.

Education is one of America's most fundamental building blocks. A solid education system is what drives our Nation's prosperity and paves the way to a brighter future for our great country. Yet, our President, for the third year in a row, wants to cut funding for our public education system. Though the President promised to support our teachers, he tried to cut teacher quality programs by \$268 million in the 2004 budget.

Our President has repeatedly slashed funding for the Pell grants, which allows thousands of deserving students the opportunity to go to college. And his proposed budget for 2005 slashes funding for the No Child Left Behind program which the President has repeatedly identified as one of his top priorities by \$8 billion.

Our children deserve a real education system that provides them with a solid, quality education.

### WIRELESS PHONES AND 911 CALLS

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, not long ago, all 911 calls were local calls made on wireline phones. Today, it is estimated that nearly 130 million wireless phones are in use, generating an average of 150,000 calls to 911 each day. However, few people realize that most wireless 911 calls do not go to the nearest public safety answering point, do

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not provide the caller's call-back number, nor do they provide the caller's location.

In some areas, wireless callers get an automated voice instead of help when they dial 911.

The House passed legislation earlier this year which I introduced with my colleague, the gentlewoman from California (Ms. ESHOO), that attempts to solve these problems by enhancing the coordination of E-911 implementation in each State, discouraging the raiding of E-911 funds, and giving local PSAPs additional funding to help them finally achieve and enhance 911 capability.

It is my hope we can get this legislation to the President before the end of the year so local communities can begin upgrading their 911 systems and help first responders locate those in need as quickly as possible.

#### HONORING NATHAN BRUCKENTHAL

(Mr. ISRAEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ISRAEL. Mr. Speaker, on April 24, Nathan Bruckenthal became the first member of the Coast Guard to die in battle since Vietnam. His bravery and sacrifice shines a light on the often overlooked sacrifices made by the Coast Guard in our Nation's defense.

Nathan is survived by a proud father in Northport, New York, village police chief Rick Bruckenthal and his wife, Patricia, a loving mother, Laurie Bullock of Ashburn, Virginia. Nate is also the brother of Matthew, Michael and Noa Beth, and the husband of Patricia in Florida.

When I called Rick Bruckenthal, he simply said, "My son served his country." He did serve and he did sacrifice. And now we have an eternal debt to his memory and his family, to support our troops when we send them into dangerous places, to support their families back home, to support our veterans, to do these things in our hearts, in our budgets, and in our prayers which are with the family of Nathan Bruckenthal, the police department of Northport Village, the United States Coast Guard and Bates Neck Station, today and all days.

God bless the Bruckenthal family and God bless America.

#### COMBATING CARGO THEFT

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I would like to talk today about a little known crime that has an enormous impact on all of our congressional districts.

Every day our country loses millions of dollars to interstate cargo theft, a crime that is occurring on highways across our country. Any crime that threatens this flow of goods should be dealt with quickly.

The fact that cargo theft is now being tied to the funding of terror makes it critical that we address this crime on the Federal level. I have introduced a bill, the Cargo Theft Prevention Act, which seeks to bring this crime out of the shadows and to finally hold criminals accountable.

With stricter criminal penalties and better information sharing, this bill will finally give both lawmakers and law enforcement officials the tools they need to combat this growing crime. With support from the American Trucking Association and multiple law enforcement groups, I hope all of you will join me in cosponsoring H.R. 3563, The Cargo Theft Prevention Act.

#### UNANSWERED QUESTIONS

(Mr. EMANUEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMANUEL. Mr. Speaker, President Kennedy once said, "An error does not become a mistake until you refuse to correct it. Without debate, without criticism no administration and no country can succeed and no republic can survive."

Today, Members of this House and this Chamber have refused and said it is not time to have hearings in this Congress over what we have seen recently in Iraq. The men and women over there serving their country, our country, our friends, our neighbors, our constituents, are making us proud. This Congress has an obligation to ask questions of how and why this occurred, no matter where the criticism leads.

Our troops should not be used as scapegoats. Our civilian leaders need to be asked the questions, the Congress, all of us who got elected, all of us who take a pledge have a requirement to ask questions and seek the answers that our constituents sent us here.

#### NEW PRESCRIPTION DRUG COVERAGE

(Mr. REHBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REHBERG. There is an old adage, the louder your opponents protest, the more you know you are successful with what you are doing.

That is exactly what is happening with Medicare's new prescription drug coverage. Those who voted against the new prescription drug benefit are protesting what we have done because they do not think seniors are smart enough or capable enough to choose the prescription drug plan that is best for them. They want the program to fail for preliminary reasons.

All these protests are designed to draw attention away from the fact that for the first time more than 7 million low income seniors and younger people with disabilities are now eligible for much needed assistance.

According to the National Council on Aging, a national voluntary network of organizations and individuals dedicated to improving health and independence of our seniors, low income Medicare beneficiaries should absolutely apply for a new Medicare approved drug discount card and its \$600 annual transition assistance benefit.

Despite the shrill protests of those who voted against it and want it to fail, the power to save on prescription drugs is now in the hands of the seniors, and Republicans will help.

#### CINCO DE MAYO

(Ms. LINDA T. SÁNCHEZ of California asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, today we celebrate a day that represents the importance of freedom, liberty and determination for the people of Mexico and for Mexican Americans.

On May 5, 1862, untrained, outnumbered and out-gunned Mexican forces determined to protect their land, successfully defended the town of Puebla against the French.

Against overwhelming odds, they managed to drive back the French Army, achieving a total victory over soldiers that were deemed the best trained and equipped in the world.

For Mexico, this day represents a symbol of unity and patriotism.

In this country, Cinco de Mayo is also a celebration of the rich cultural heritage Mexican-Americans and all Latinos have brought to the United States. Unfortunately, Latinos do not have much to celebrate this year.

This past month the Latino unemployment rate has remained an alarmingly high 7.4 percent. This is 28 percent higher than when President Bush took office and it is significantly higher than the national average.

This administration's misguided policies continue to create economic uncertainty for all working families.

Do not be fooled by the Marachis and pinatas at the White House today. This pomp and circumstance gives no relief to the 1.4 million unemployed Latinos.

#### COMMENDING THE SERVICE OF THE ARMED FORCES FOUNDATION

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, this weekend I had the honor of joining the nonprofit Armed Forces Foundation in Columbia, South Carolina, for Military Appreciation Day. There I met with hundreds of military and family members who gather to enjoy a day of recreation, fishing and appreciation for their service.

Led by President Patricia Driscoll, along with fundraiser Wyatt Smith and founded by Jim Gorab, the Armed

Services Foundation works to support the American military community. President Driscoll knows personally the sacrifice these men and women make, as her husband is on active duty in Iraq today, fighting to protect American families in the war on terror.

Along with military appreciation events held throughout the United States, the Armed Forces Foundation coordinates care packages for troops deployed and offers travel assistance for families visiting wounded soldiers. Additionally, they give away thousands of turkeys every year for Thanksgiving and gift certificates for military children at Christmas time.

I ask all of my colleagues to join me in thanking the Armed Forces Foundation for their service to those who defend freedom.

In conclusion, may God bless our troops, and we will never forget September 11.

#### MISSING COMMANDER-IN-CHIEF

(Mr. MEEKS of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MEEKS of New York. Mr. Speaker, I rise this morning wondering where is the Commander in Chief?

Our wartime President is missing in action. Our troops are being killed because of a lack of proper planning; and as one of the worst scandals involving our military is uncovered, George W. Bush is in Ohio flipping pancakes, and in Michigan, of all places, riding in a \$1 million bus made in Canada.

Where is our leadership from our President? It is AWOL.

As the Bush campaign smear machine continues to attack and distort JOHN KERRY's decorated Vietnam service record, which includes a Silver Star, a Bronze Star, and three Purple Hearts, George Bush wants the American people to believe that he actually has a military record to be proud of. That is as believable as when the Commander in Chief landed on the deck of an aircraft carrier pretending to be a soldier.

Perhaps the President's smear machine can explain where George Bush was the year he was missing during his military service, and his clear absence of leadership as a President, instead of cooking up phoney attacks on a decorated war hero like JOHN KERRY.

□ 1015

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KOLBE). The Chair would remind Members to avoid personal references to the President of the United States.

#### UPHOLD THE REPUTATION OF THE GREAT AMERICAN FIGHTING MAN

(Mr. PENCE asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, what happened at Abu Ghraib prison in Baghdad was a disgrace, and it grieved the heart of every American who saw it, grief for the families of the Iraqis incarcerated who had endured the indignities and grief for the American soldiers, not those involved. Those involved must and will be held to the strictest account.

It grieved me to hear, as someone who has traveled to Operation Iraqi Freedom twice, I have been at Camp Victory in Baghdad. I have been at Talil Air Base in southern Iraq. I have walked among our soldiers on aircraft carriers and on the ground. They are honorable men and women who each and every day put their lives on the line in a dignified and respectful way as American soldiers ever and always have.

It is for their reputation that I grieve today and why I call on this administration and our own military to put our house in order, hold those to account, uphold the great reputation of the American fighting man.

#### CONGRATULATING 2004 NATIONAL CHESS CHAMPS

(Mr. WEINER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEINER. Mr. Speaker, Edward R. Murrow High School is known for a great many things, not the least of which is producing the only two truly talented members of the Weiner family, my brothers Jason and Seth; but this year they are also known as the 2004 national chess champs, defeating over 150 schools, 300,000 student. This goes with their dynasty-building wins in 1992, 1993 and 1994, under the excellent coaching of Eliot Weiss.

We have to recognize they do belong in the pantheon of dynasties, as they defeated every school in the country and are soon going to be taking on those in this world. And as soon as NASA makes it possible, I am sure they will defeat teams from other planets.

Let me read the roll call of this great team: Salvijus Bercys, Dimitry Minevich, Olga Novikova, Alex Lidnerman, Ilya Kotlyanskiy, Oscar Santana, Willy Edgard, and Niles Smith. There is a reason they call this team the Brooklyn Kings. We offer them our congratulations.

#### THOMAS FARIA: MORE THAN THREE DECADES OF SERVICE TO THE RIGHT TO WORK CAUSE

(Mrs. MUSGRAVE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MUSGRAVE. Mr. Speaker, Mr. Thomas Faria was a Connecticut businessman who contributed to the efforts

of the National Right to Work Committee. In 1977, he sent a letter to committee president Reed Larson offering his services as a member of the board of directors.

He wrote: "Although I have supported the National Right to Work Committee for a number of years because of my strong belief in individual freedom, I did not really appreciate the clout of union political power until I worked on trying to close loopholes in Connecticut's unemployment compensation law. I would like the opportunity to do more in the area of right to work as I feel America's future depends upon it."

Fortunately, Reed Larson took up Mr. Faria on his offer. Mr. Faria joined the board of directors of the National Right to Work Legal Defense Foundation shortly thereafter.

The right to work principle, the guiding concept of the National Right to Work Legal Defense Foundation and one of the guiding principles of Thomas Faria's work, affirms the right of every American to work for a living without being compelled to belong to a union. The National Right to Work Legal Defense Foundation gives legal assistance to employees who have been victimized.

I rise today to applaud Mr. Faria's efforts and the National Right to Work Committee with whom he served.

#### CINCO DE MAYO 2004

(Mr. RODRIGUEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODRIGUEZ. Mr. Speaker, today is Cinco de Mayo. We celebrate the tenacity and the perseverance of the untrained and outnumbered Mexican forces that successfully fought for independence against the sophisticated French Army of Maximilian in 1862.

Across the Nation, we will be celebrating the turning points of this particular war as Mexican Americans in this country, and it is important for us to look at in this country the importance of this particular war to this country.

The writings of Harry Carr in the 1930s talk about the fact that during that particular time in 1860, during our own Civil War in this country, Maximilian had gone into Mexico with the intent of not only taking Mexico but moving on to the north. We are pleased also to indicate for those of my colleagues in this country to also know that the one who won the battle in Puebla was a Texan, was Ignacio Zaragoza Seguin who came out of Goliad, Texas, and was able to be victorious there in that battle in Puebla.

So as we celebrate the Cinco de Mayo, we are proud to have that interwoven with this country and Mexico.

### MEDICARE PRESCRIPTION DRUG DISCOUNT CARD

(Mr. FRELINGHUYSEN asked and was given permission to address the House for 1 minute.)

Mr. FRELINGHUYSEN. Mr. Speaker, this week nearly 15.4 million seniors across the Nation are eligible to apply for a Medicare-approved prescription drug discount card. This is good news for older Americans, especially for those in my home State of New Jersey.

With the new discount card, over 300,000 more seniors in my State alone will be able to receive immediate medicine assistance. Most of the beneficiaries will save an average of between 10 and 25 percent off the retail price of their prescription drugs while low-income seniors will receive an additional \$600 of Federal credit towards the purchase of their medicines.

With the passage of this new Medicare law last November, we ensured that New Jersey and other States were not penalized, especially for having a preexisting drug assistance program that, quite frankly, is one of the most comprehensive and generous in the country. As a result of our efforts, not only will seniors save on their prescription medicines as promised, but our State of New Jersey will save an estimated \$4 billion over the next 10 years.

### CONGRESS FAILS TO AGGRESSIVELY TAKE SERIOUS OVERSIGHT RESPONSIBILITIES

(Mr. BLUMENAUER asked and was given permission to address the House for 1 minute.)

Mr. BLUMENAUER. Mr. Speaker, recent revelations about the abuses in Iraq illustrate problems not just with United States policy but with how Congress deals with its responsibilities.

Yes, there are problems with the Department of Defense, starting with Secretary of Defense Rumsfeld who is either out of the loop, who either does not know or places a low priority on these problems, things known for months and issues lingering for over a year.

Yes, there are problems with contracting out to private companies functions, fundamental core government activities, at great cost without accountability. But we should be concerned that Congress fails to aggressively take seriously our oversight responsibilities instead waiting for a pending article in *The New Yorker* to cut loose an avalanche of other news accounts.

There are at least a half dozen committees in this House that could be taking action. The American public, the Iraqi people, and our men and women in uniform deserve better.

### TREATMENT OF IRAQI PRISONERS

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, as a military veteran, I was saddened and outraged to hear the stories this past week of physical and psychological abuse of Iraqi prisoners at the hands of U.S. soldiers.

This outrageous behavior goes against everything America stands for. It is a serious breach of military discipline. It is a disgusting and a shameful violation of human rights. It is un-American, and it jeopardizes the future freedom in Iraq and the Middle East, and it is sad that the 99.9 percent of the U.S. military which has conducted themselves honorably will now be defamed because of the actions of a few.

In a war for hearts and minds, these actions do not help, and those responsible should be held accountable; but let us remember the terrorists we are fighting.

In Saudi Arabia this weekend, terrorist extremists murdered five Western oil workers, tied one body to a car and drove around with it like a hood ornament. One terrorist murdered a pregnant woman and her four daughters, and then put a bullet in her stomach to make sure the job was complete. We remember the scenes from Iraq of the bodies of aid workers drug through the streets recently.

I have no doubt the U.S. will exact justice on our soldiers. If we could only get the terrorist extremists and their leaders to do the same.

### HONORING ENRIQUE, JESUS, AND JULIO ZAPATA

(Mr. GRIJALVA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRIJALVA. Mr. Speaker, I rise today in honor of Enrique, Jesus and Julio Zapata, and in particular, their honorable service in the Vietnam War. I am proud to say these three brothers, who gave so much to our country, were born and raised in my district in the city of Nogales, Arizona.

During the Vietnam era, Enrique, Jesus and Julio made the courageous decision to enlist in the United States military.

Jesus Zapata served his tour of duty in Vietnam from June 4, 1965, to July 4, 1966. Enrique Zapata served two 6-month tours of duty in Vietnam with the United States Navy, enlisting July 20, 1964. Julio Zapata served in Vietnam from April 30, 1967, to April 30, 1968.

Our country owes a debt of gratitude to these fine citizens and the countless Vietnam veterans who have not been accorded the full respect and appreciation they deserve from our country. As I speak today, they sit in the gallery of the House of Representatives. I hope those of my colleagues who meet them will thank them and extend their appreciation from all of us for the service they gave this country.

On Cinco de Mayo, when we celebrate and acknowledge our diversity, let us

also acknowledge the shared sacrifice that all Americans have made for this country.

### LIMITING FLOW OF LEGAL IMMIGRATION

(Mr. BARRETT of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT of South Carolina. Mr. Speaker, while I believe that illegal immigration must be stopped, there is nothing wrong with allowing a moderate level of legal immigration. Immigrants have contributed greatly over the years to our Nation and our economy, and society should accommodate several hundred thousand new legal immigrants annually.

However, we can never realistically accept but a tiny fraction of the tens of millions who would love to migrate here each year, and we can no longer allow a million new legal immigrants to come and work here.

For starters, I believe that we need to reduce legal admission numbers by ending the visa lottery and the so-called extended family categories that fuel foreign worker inflow by chain immigration. A positive first step at reforming our outdated immigration laws would be to pass H.R. 775, the Goodlatte bill that repeals the visa lottery.

As a cosponsor of that bill, I urge the House of Representatives leadership and Committee on the Judiciary to act to bring the bill before the full House for action and to advance other legislation to cut down legal foreign worker inflows to more moderate levels.

### MEDICARE PRESCRIPTION DRUG DISCOUNT CARDS

(Ms. BERKLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. BERKLEY. Mr. Speaker, when Congress passed the Medicare prescription drug bill, seniors expected real prescription drug coverage. Instead, seniors are receiving a sham discount card that guarantees no savings and will not lower drug costs.

Many seniors already use a drug discount card available at their pharmacies which provides savings up to 25 percent. Seniors are able to use as many cards as they need.

The Medicare discount card will limit the options available to our seniors. Seniors will be allowed only one card, and drug prices can vary week to week. In fact, drug companies are already starting to increase drug prices so they will not lose any money.

Democrats are committed to not only fighting for a prescription drug benefit for our seniors but for lower drug prices and giving seniors real choices.

The administration's drug benefit will mask inflated prices and give huge

subsidies to drug companies. I am disappointed, as a matter of fact I am heartsick, that many seniors who desperately need our help will not save one dime on their medication bills under this administration's program.

#### ADMINISTRATION HAS FAILED EDUCATION

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, when it comes to education, the administration's rhetoric is there, but it masks the reality. The administration waves a lot of papers and makes a lot of speeches, but they have failed education in America; and it is a required course.

Here are their test courses. The administration has an Education Secretary who calls the teachers' union "terrorists." The administration left every child behind when it grossly underfunded that essential education in the United States.

Today, we are celebrating and they are celebrating Cinco de Mayo, while they hide from the Hispanic community the fact that they have cut programs to promote staying in school, knowing that the high school dropout rate for Hispanics is four times higher than white students.

Come November we are going to enroll the President and the administration in a remedial rhetoric course to learn how to tell the truth.

□ 1030

#### HONORING GENERAL ZARAGOZA

(Mr. HINOJOSA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HINOJOSA. Mr. Speaker, I rise today to honor a true hero who gave his life to free his country from foreign oppression. Ignacio Zaragoza Segun was born in 1829 near what is now Goliad, Texas, in my 15th Congressional District.

In 1862, French troops began to march to capture Mexico City. They met the Mexican forces at the city of Puebla in a battle that lasted the entire day of May 5, 1862. Under General Zaragoza's leadership, the vastly outnumbered Mexican Army forced the withdrawal of Napoleon III's Army, the premier army in the world at that time. French losses were heavy, but Mexican casualties were few. The costly delay in Puebla helped shorten the French intervention. It also helped preserve the American union, as it kept the French Army too busy to directly aid the Confederacy with troops during the U.S. Civil War.

General Zaragoza received a hero's welcome in Mexico City. While visiting his sick troops, he contacted typhoid fever and he died September 8, 1862, at

the age of 33. On September 11, 1862, President Juarez declared May 5, Cinco de Mayo, a national holiday.

Today, Cinco de Mayo is celebrated throughout Mexico and around the world, but I hope that as we celebrate this holiday, we remember the courage and sacrifice of this true hero.

#### EVENTS OF THE DAY

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, let me acknowledge the heroes of Cinco de Mayo Day, and all of my constituents and friends who are celebrating this day.

Mr. Speaker, I also want to acknowledge this is the national day to prevent teenage pregnancy, and to be able to say that from 1990 to 2000, the decrease in teenage pregnancy is seen at 28 percent.

Let me also congratulate the family of Mr. Hamill, who is now celebrating his return, and I acknowledge that because many of his friends and coworkers are in my congressional district. To them I say, what a celebration, but we pray for other hostages.

But I am so sorry that I stand here today really to challenge the tragedy of what has happened in the Iraqi prisons, not because those line soldiers, who I know have done a disgraceful act, are the only ones now being chastised, but because this administration believes that cameo appearances on the television are the solution to the tragedy of what happened, that that will correct the face of America in front of the million of Muslims and Iraqi people.

Mr. Speaker, it is time for the administration to come to this Congress and that there be full exposure to what happened, not in the back rooms of the Permanent Select Committee on Intelligence or some other committee, but in an open hearing of this Congress. Shame on this Congress if we do not demand a full briefing of what happened. It should not be behind the closed doors of the Permanent Select Committee on Intelligence.

#### EDUCATION IN AMERICA

(Mr. RUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSH. Mr. Speaker, as we approach the 50th anniversary of Brown v. Board of Education, it is crucial that we examine the progress America's public school systems have made.

It seems to me although we live in different times, many fundamental challenges still remain. I, along with my Democratic colleagues, believe education is vital for students, parents and for our country. America needs strong leadership in education, one that will make up for 50 years of broken prom-

ises and unfinished business. Broken promises, such as the President's failure to increase funding for schools that remain \$9 billion short, broken promises such as the President's failure to increase Pell grants for our college students while Pell grants remain the same for a third year in a row.

Mr. Speaker, when it comes to education, the President shows up for photo-ops, he stands next to children and to teachers for a picture, but he does not show up nor does he stand up with them when it comes to improving schools in our Nation.

It is time for the President to be held accountable for promises made and promises broken. As we commemorate the 50th anniversary of Brown v. Board of Education, it is time to stop leaving millions of our children behind.

#### DO NOT OVERLOOK TRUE MEANING OF CINCO DE MAYO DAY

(Mr. BACA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BACA. Mr. Speaker, I rise today to pay tribute to the Mexican patriots who gave their lives fighting valiantly and successfully against an overwhelming French army on May 5, 1862.

Celebrated as Cinco de Mayo, the true meaning of this holiday has been too often overlooked. Many celebrate with festivals, singing and dancing, but it is more than a party, it is about a proud heritage, cultural tradition and the freedom that was won. We as Americans and Hispanics celebrated Cinco de Mayo not just to honor the courage of those fighting for freedom, but also for its significance to the American ideal of self-determination, respect, justice and equality for all individuals.

Today, the struggle continues on, but we must come together as one Nation and one unit to respect each and every one of us. I yield back the balance of my time as we celebrate Cinco de Mayo, all coming together as one Nation and one country.

#### MIDDLE-CLASS ALTERNATIVE MINIMUM TAX RELIEF ACT OF 2004

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 619 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 619

*Resolved*, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 4227) to amend the Internal Revenue Code of 1986 to extend to 2005 the alternative minimum tax relief available in 2003 and 2004 and to index such relief for inflation. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill and on any amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the amendment in the nature of a substitute printed in

the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H. Res. 619 is a modified, closed rule that provides for the consideration of H.R. 4227, the Middle-Class Alternative Minimum Tax Relief Act of 2004.

It provides for one hour of debate in the House, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

H. Res. 619 also provides for the consideration of the amendment in the nature of a substitute printed in the Committee on Rules report accompanying this resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent.

It waives all points of order against the amendment printed in the report and provides for one motion to recommit, with or without instructions.

Mr. Speaker, this is a fair and traditional rule for the consideration of legislation amending the Internal Revenue Code, and I hope that the House will approve the rule in order to have the opportunity to consider the merits of the underlying consideration.

The Alternative Minimum Tax was originally conceived as a means of ensuring that the wealthy "paid their fair share of taxes" in 1969. But, as has happened so many times in the past, the law of unintended consequences has meant that the AMT has produced a very different result.

Because the AMT is not currently indexed to the inflation rate, the number of taxpayers falling into the "AMT trap" is growing larger and larger every year. In 1970, 19,000 people paid the AMT. Today, this number has risen to over 3 million taxpayers. According to some estimates, approximately 35 million taxpayers will come under the AMT's procedures in the next 6 years.

These taxpayers are not wealthy by any stretch of the imagination. Increasingly, the AMT is punishing hard-working, middle class families.

With this in mind, I wanted to commend the gentleman from Connecticut (Mr. SIMMONS) for bringing H.R. 4227 to the floor today. This bill extends for 1

year the current limits on income exceptions from the AMT that Congress and President Bush enacted in 2001 and 2003. Notably, H.R. 4227 also indexes the limits for inflation, thereby precluding the AMT from taking an even bigger bite out of most moderate-income families' paychecks.

President Clinton's 1993 tax raise increased the AMT tax rate without adjusting the AMT exemption amount for inflation. Since then, however, the Republican majority in the Congress has repeatedly delivered AMT relief to taxpayers.

The Economic Growth and Tax Relief Reconciliation Act of 2001 increased the AMT exemption amounts, and the Jobs and Growth Tax Relief Reconciliation Act of 2003 further increased the AMT exemption amounts. These steps provided some relief to families, but for procedural reasons, the current law's AMT relief will expire next year if we do not enact H.R. 4227. While H.R. 4227 is a good proposal that deserves our support today because it will help provide much-needed AMT relief to workers, it is increasingly clear to me that the current income Tax Code is fatally flawed and in dire need of a fundamental overhaul.

To that end, I have introduced legislation, H.R. 25, that moves the Federal Government from an income tax-based system to a personal consumption system by abolishing all Federal income taxes and the IRS and replacing the Tax Code with a national retail sales tax on consumers buying new goods and services. Enacting the Fair Tax would, as just one example, solve the AMT problem for all families in the United States.

Mr. Speaker, I urge my colleagues to join me in supporting this rule so we may proceed with the debate on the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Georgia (Mr. LINDER) for the time, and I rise today in opposition to the underlying bill and the closed rule providing for its consideration.

Once again, my friends on the Republican side have come to this floor in a restrictive manner stifling debate before it is even allowed to begin. The majority preaches fairness and inclusiveness while practicing and maintaining an agenda that divides and obstructs.

The gentleman from Georgia (Mr. LINDER) previously suggested it is a fair rule because it allows for a Democratic substitute. With all due respect to the gentleman, this rule is anything but fair, and it is far from open. The rule does make in order an amendment offered by the gentleman from New York (Mr. RANGEL), the ranking member on the Committee on Ways and Means. The Rangel substitute is far more encompassing than the Repub-

lican proposal, easier to understand, and most importantly, it pays for itself.

Despite making this amendment in order, the rule blocks the gentleman from Washington (Mr. BAIRD) from offering an amendment dealing with the deductibility of State income taxes or State sales taxes. Yesterday evening, the Baird measure came to the Committee on Rules. The gentleman from Washington asked that his amendment be made in order under the rule. In typical fashion, Republicans are blocking what they may not be able to defeat. Just like Shakespeare wrote, a rose by any other name would smell as sweet; a closed rule will always stink, and not even dozens of roses could blanket this stench.

The so-called Middle-Class Alternative Minimum Tax Relief Act that the House will consider later today is just another example of the majority's recklessly irresponsible tax agenda, not to mention creative naming practices. Even at first glance, this bill fails America's middle class. Folks, it raises taxes on the middle class. I do not know about the rest of my colleagues, but I have a pretty tough time making the argument in the district that I am proud to represent that a household income between \$100,000 and \$200,000 is middle class because in the district I represent, the average household income is barely \$31,000.

In that district that I am proud to represent, \$100,000 in household income is upper class by any definition; yet this is the income level that the majority continues to use as an example when making the case to eliminate the AMT.

□ 1045

The majority maintains that extending AMT exemptions help the middle class. I say it neglects America's real middle class. It raises their taxes. If Congress is serious about helping middle-class families, then it ought to use the \$18 billion we are spending on the AMT extension this year alone and invest in the public schools which middle-class children attend. Congress should use the \$18 billion and invest in health insurance for the 8.1 million uninsured middle-class Americans. Furthermore, 1-year fixes do not solve our problems. Over a 10-year period, this really will cost us \$559 billion. It would be easier to eliminate the entire income tax. It would cost us less than what the Republicans are proposing under the AMT provisions that they offer.

Or if we really want to make a statement about our priorities, Congress should dedicate this \$18 billion to the transportation reauthorization bill, a bill that a colleague of ours noted last week is currently stuck in a Republican legislative traffic jam. If we take this \$18 billion and add it to the nearly \$96 billion that we spent last week in eliminating the marriage tax, we have got ourselves more than 110 billion in

new dollars to invest in America's transportation and infrastructure. At the same time, we would be creating some 4.6 million new jobs. Congress could have the \$375 billion transportation bill that America needs without any increase in the gas tax and avoiding a Presidential veto. Instead, the majority chooses to cut taxes at the expense of our national priorities.

Mr. Speaker, I do not know any tax cuts that can teach high school algebra. I certainly cannot recall ever meeting a tax cut that could build a road. But I do know the Bush administration tax cuts, that 3 years of those have stalemated this body to the point that we are unable to adequately address long-term unemployment, an increasing number of uninsured people, escalating costs for health care, the uncertainty of an aging Social Security program, and an inadequate transportation system in this great country of ours. Three years of the Bush administration tax cuts have resulted in the largest deficit in the history of America, the greatest decline in household income in nearly 40 years, and an economy that is showing no immediate signs of recovery to help the more than 8 million unemployed Americans. Most important, tax cuts affect our ability to provide for America's military.

Let me send a message to President Bush and his minions. We cannot have guns and butter and ice cream as they propose. Our country has serious needs. Mr. Speaker, the underlying resolution neglects all of them. For that reason and that reason alone, Members should stand up against the interests of a few at the expense of all. I urge my colleagues to oppose this closed rule and reject the underlying resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume to comment on the gentleman's opening statement. The gentleman from Washington did not show up at the committee to pursue his proposed amendment. And it is regular order for the Committee on Rules not to allow an open amendment process in bills that come out of the Committee on Ways and Means.

Lastly, let me just applaud the gentleman for saying we should get rid of the IRS. I welcome him as a cosponsor on H.R. 25.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Most respectfully, my friend from Georgia has misspoken. If he reads my comment, he will understand that I said the Baird measure was proposed before the Committee on Rules last night. I was there like the gentleman from Georgia was. I do know, as a matter of fact, the gentleman from New York (Mr. ISRAEL) presented the measure, and it was not accepted by us.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. FROST), the

ranking member of the Committee on Rules.

(Mr. FROST asked and was given permission to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

The alternative minimum tax was originally intended to provide fairness for all taxpayers by requiring wealthy individuals to pay their fair share of taxes. Unfortunately, the alternative minimum tax is affecting more and more middle-class families. Middle-class families clearly should not be subject to the AMT, and I am glad we are looking at solutions to end this unfairness today.

But there is another tax issue that affects millions of Americans and that I think deserves the chance to be debated today, the issue of State sales tax deductibility. Since the sales tax deduction was eliminated in 1986, citizens from States that do not have State income taxes, such as my home State of Texas, have been unfairly punished. While taxpayers living in States that impose an income tax are entitled to deduct their State income taxes from their Federal tax bill, those living in States without income taxes do not receive an equivalent deduction for the sales tax. The result is that citizens of States like Texas, Florida, Washington State, and Tennessee are paying more to the IRS than are citizens of other States.

I do not think this is fair, Mr. Speaker. All taxpayers should be treated equally regardless of their State's tax system. A number of Members from both sides of the aisle have introduced measures to reinstate the sales tax deduction, and I think it is high time that this House consider their proposals.

Last night in the Committee on Rules, I offered an amendment to the rule brought forth by the gentleman from Washington (Mr. BAIRD). His amendment would restore fairness to the Federal tax system by allowing taxpayers who have no State income taxes to instead deduct their State and local sales taxes. Unfortunately, the Rules Committee majority defeated my amendment. Mr. Speaker, I do not think that is right. This House has debated dozens of other tax bills, but the Republican leadership will not allow this House to debate an issue that penalizes millions of American taxpayers.

Mr. Speaker, this is not a partisan issue. It is a matter of fairness. If this House is to be presented the tax bill of the week for the foreseeable future, I cannot understand why the Republican leadership will not allow the House to even consider an issue that will provide equity for the people of my State and six others. I think the American people deserve a full and honest debate on this matter.

Consequently, so that the House might be allowed to consider the sales

tax deduction, we will attempt to defeat the previous question. If the previous question is defeated, we will offer an amendment to the rule allowing for the consideration of the gentleman from Washington's proposal to reinstate the State sales tax deduction for those States that do not have a State income tax. This may well be the only chance Members have to take a stand on this issue.

I urge my colleagues to vote "no" on the previous question so that this House may consider reinstating the sales tax deduction and so our constituents know where we stand on the issue of reinstating this deduction.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I note that all of my Republican colleagues who have such great interest in this AMT are just showing up in great numbers to speak on this measure.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. COOPER).

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, I would urge all of our Members who are from Texas, Washington, Florida, South Dakota, Tennessee, Nevada, or Wyoming to pay close attention. This may be your best time, it may be your only time in your congressional career to get basic Federal income tax fairness for your State. Let me repeat. If you are from Texas or Florida or Wyoming or South Dakota or Tennessee or Washington, this may be your only chance to get basic tax fairness for the citizens of your State. This is not a partisan issue. This is an issue of basic unfairness that has existed in this country since 1986 when the tax laws changed to deprive the citizens of our States basic tax fairness.

The citizens of those States I just named, Texas, Florida, Tennessee, Washington, South Dakota, Nevada, Wyoming, pay more Federal income tax per capita than citizens equally positioned in other States. Why? Because our basic tax mechanisms are the sales tax, not the State income tax, and we cannot deduct the State sales tax from our Federal income. So this is your best chance, this is your only chance, and you must vote against the previous question. That idea is anathema to some of our colleagues, but I think we need to rise above the petty proceduralisms of this House, rise above what your House leadership may be telling you or not telling you; and this is a choice to stand up with your people back home or to obey the rules of Washington.

Let us stand up for our people back home. Let us get basic tax fairness to our citizens. To do that, you have to vote against the previous question. This is not an ordinary vote on a regular Wednesday in Washington, D.C. This is your best chance, this is your



only chance to get tax fairness for your people back home.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I would urge our colleagues who are back in their offices and committees to come on down here and explain to the middle class in America why this AMT is not a tax increase on them.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. DAVIS).

Mr. DAVIS of Tennessee. Mr. Speaker, I compliment my colleague from Tennessee for the remarks he has just made. Having served in the Tennessee State legislature in both the House and the Senate, one of the issues that was debated and discussed so often in both of those chambers, in both the House and Senate in Tennessee, is how can we bring tax fairness from the Federal level to those of us who live in States that only fund education through a sales-tax-based revenue stream. Our Speaker of the Senate was so fond of saying, "Uncle Sam taxes taxes." In fact, that is exactly what this Congress and what this Federal tax structure does to States who choose not to have an income tax. We tax taxes. That is certainly not what we intend, but that is the fact. We allow States who impose an income tax, either local or on the State level, on individuals who live in those States a deduction for the tax that they pay in State taxes to be deducted from the Federal income tax, but we do not allow those of us who live in States such as Tennessee who choose to manage their governments better, perhaps, than most by not imposing a tax on income.

In this Nation, we tax assets, a person's home. We tax purchases of food and clothing in the State that I live in and nonprescription drugs. Other States tax income. We have chosen not to do that. As a result of the tax bill that passed in 1986, you are imposing a tax on tax for those of us who choose to manage our States better, perhaps, than other States. I ask my colleagues to vote against the previous question.

Mr. LINDER. Mr. Speaker, I would like to just take enough time to remind the gentleman that the 1986 tax act was called the Bradley-Gephardt bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. The name of the bill, Mr. Speaker, does not make it any more correct. The problem still exists.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. LAMPSON).

Mr. LAMPSON. Mr. Speaker, I also want to say it does not matter what you call it. If it is inequity, it is inequity. If it is not fair, it is not fair. That is what I want to talk about this morning in this debate. We have lost the issue of a simple matter of equity and fairness.

I spent 19 years as a property tax collector in the State of Texas. My whole

goal in assessing value to property was to make sure that no property owner, no taxpayer paid an unfair burden in comparison to the others. Our Tax Code unfairly penalizes those who live in States where there is no local or State income tax, which includes my State of Texas. Just as I cannot accept discrimination on how our government treats individuals, I do not want to accept discrimination in how our government taxes our citizens across the board. My colleague from Washington State knows this all too well, and that is why his proposed amendment is so important and timely, because it restores sales tax deductibility for residents of States with no local or State income taxes.

As current law stands, residents in States with local or State income taxes can deduct those amounts from their Federal taxes. So I ask you, where is the fairness for our hardworking, tax-paying citizens? Texas is one of nine States with no income tax; and as a result of the 1986 Federal tax reform law, regardless of who wrote it and who voted for it, that does not matter. That happened then, today is today. Sales taxes are not deductible. As a result, we are not treating all taxpayers in this country equally. Consider this: if Texans could deduct what they pay in State and local sales taxes, they could keep more than \$700 million. That is a lot of money. That is money that the hardworking citizens of southeast Texas and the gulf coast region in my district could use to care for their senior citizens, pay their daily bills, use for unexpected emergencies, or even help offset our rising cost of school property taxes at home.

□ 1100

My colleague from Washington's proposed amendment offers a smart and simple fix and lets us remedy one part of our tax code so we can focus on reforming the rest of it. This money belongs to the residents of Texas, and by golly, if all other Americans get to deduct part of their taxes, then Texans should get to keep it as well. Let us vote against this previous question.

And this amendment would be limited to just one year, so it is not a permanent measure—I cannot think of anything more reasonable for us to consider.

After all, that's what equity is all about, and since it seems lately that all we are considering are tax bills, well then we might as well consider this one too.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from Florida (Mr. HASTINGS) has 14 minutes remaining, and the gentleman from Georgia (Mr. LINDER) has 26 minutes remaining.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Twenty-six minutes for those people who believe in this measure to come

down here and prove to America that their provision on the AMT is not a tax increase on middle class America, yet they are not using that time.

Mr. Speaker, I yield three minutes to the gentleman from Texas (Mr. STENHOLM), my good friend and good student of this process.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the previous question so the House might be able to consider the Baird amendment restoring the deduction for sales tax, State sales taxes.

This is one of those issues that I wish the Committee on Ways and Means would have brought to the floor of the House 2 years ago. The AMT question is a very serious question of which there is a lot of concern about. But this is not the way to handle it in the bill today and the tax cut of the week, and obviously the lack of participation by my friends on the majority side shows how political this is and how substance is being thrown away.

But I want to talk about the State sales tax deduction which was eliminated in 1986. Citizens from States that do not have State income taxes such as my home State of Texas have been unfairly penalized. While taxpayers living in States that have an income tax are entitled to deduct their State sales taxes from federal taxes, folks living in States without income taxes do not receive an equivalent deduction. And my State is now in the process of increasing the sales tax on all citizens of Texas, which will compound the problem that we are talking about today. The result is that citizens of States like my State of Texas are paying more taxes than are citizens in other States with identical incomes, and I do not understand why the Committee on Ways and Means does not take up the question of tax fairness.

The Baird amendment would restore fairness to the Federal tax system by allowing taxpayers who have no State income taxes to, instead, deduct their State and local taxes. Why not? What is wrong with that? Why not have a discussion of that on the floor instead of the tax cut of the week, which is purely for political purposes that will show up in campaign ads all over the United States as evidenced by the lack of participation in the substance of that which we are talking about today?

I also believe that the fundamental bill, if we are going to have to, on the floor, ought to be paid for. I agree that this exemption of State sales taxes will cost an estimate of \$1.2 billion, but it ought to be paid for and it should be paid for in the interest of fairness. States should be able to decide for themselves whether or not they want to adopt an income tax instead of being pressured to do so because the Tax Code is biased in favor of a State income tax instead of a State sales tax.

What is wrong with that picture? Why can we not have a serious debate



on this floor about tax reform? Instead of just talking about it in campaign slogans, which we do, flat tax, et cetera, a fundamental question, why can the Committee on Ways and Means not take up the bill that they bring to the floor today and have a serious discussion of that within the committee? Why not let Members in a bipartisan way participate in these issues? Instead, it is a campaign issue. If they want a campaign issue, this is a campaign issue.

In Texas, the inability of Texans to deduct sales taxes should be an issue on the hearts and minds of every single Texan, and the vote on the previous question will clearly identify in this body who is in favor of fairness and who is not.

Vote against the previous question. Allow fairness to be discussed on the House floor.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, by continuing the exemption for another year, 1 year, Republicans are incrementally trying to postpone the day of reckoning with the AMT. At some point a decision will have to be made to, number one, repeal some of President Bush's tax cuts or, number two, index the AMT for inflation at a cost of roughly \$370 billion or, number three, eliminate the AMT altogether at a cost of \$600 billion without the Bush tax cuts, or \$900 billion if President Bush's tax cuts remain beyond 2010.

What I just said is a part of inside baseball that at best we could feed to the goats the language that we employ here. The mythical Ms. Johnson and Jane and Joe Lunch Bucket understand only one thing and one thing only, that we need to have a debate on how it affects them. No one comes into my office talking about an AMT. But people come into my office talking about health care. People come into the office of our all of us talking about education. People come to our offices to talk about supporting the military in an adequate fashion. And countless, thousands, of Americans come to us talking about either being uninsured or needing to have incentives for small businesses. And yet we find ourselves unable to have a discussion in this House of Representatives that is meaningful as far as economics are concerned. What we get are campaign gimmicks and fancy names of things that do not become the law.

This measure has passed the House of Representatives before. If the American people wanted it to be law, they would be in our offices saying they want this to be the law. We cannot get ten people in most of our communities to write a decent paragraph on what the alternative minimum tax really is. I dare say we could not get a whole lot of Members of the House to do likewise.

With that in mind, it is a confusing set of circumstances that is a 1-year fix. If you think so much of it, why did you stay in your offices and not come down here and explain to the American public why the middle class will not experience a tax increase over the haul of 10 years? What you do is you reduce the income taxes, then you eliminate the AMT on one hand and you take from the right hand and give to the left hand.

To correct my friend from Georgia, who will have the last word on this subject, correctly so, because he and his Members are in the majority, let me give him a summary of the motion that he brought to the House of Representatives. It says "Providing for Consideration of H.R. 4227, Middle-Class Alternative Minimum Tax Relief Act of 2004, Mr. LINDER, from the Committee on Rules, submitted the following."

I shall not read the entire report, but since he took it upon himself to say that the Baird measure was not before us, I shall only refer to the language of the motion offered by the gentleman from Texas (Mr. FROST) last night when the gentleman from Georgia (Mr. LINDER) and I were in the Committee on Rules.

"Summary of motion: To make in order and provide the appropriate waivers for the amendment offered by Representative BAIRD." Do not challenge me when I say that that was what was brought to us. That measure was defeated six to five by the majority, and I say today we have a chance to remedy that problem if Members, particularly those from Florida, were to see my Republican colleagues from Florida come down here and say that this is not a sound measure when all we have is a sales tax and right up the street somebody else with an income tax can deduct it from their Federal tax offering and we are unable to do this so. Fair is fair. This measure is not fair.

Mr. Speaker, I will be asking Members to vote "no" on the previous question. If the previous question is defeated, I will offer an amendment to the rule that will allow the House to vote on the Baird sales tax equity amendment that was offered in the Committee on Rules last night but not allowed by the Republican leadership. I think Members deserve an opportunity to vote on this important amendment. I want to point out that this is not a partisan amendment. It has support from both sides of the aisle as was demonstrated in the Committee on Rules vote yesterday.

The Baird amendment would allow taxpayers who itemize their deductions the option to deduct their State income tax or sales taxes paid in a given year. The option for deduction of sales taxes was available to taxpayers until 1986 when it was eliminated. The gentleman from Georgia (Mr. LINDER) said that the gentleman from Missouri's (Mr. GEPHARDT) name was on that. I remind him that it was signed by Presi-

dent Ronald Reagan. However, taxpayers in those States with a State income tax still retain the ability to deduct those taxes. The loss of the State sales tax option was particularly tough for taxpayers in States with no income tax like my own State of Florida.

As a result, people in my State and others similarly situated pay more taxes than people with identical taxable incomes in States that have a State income tax. It is very important that we equalize the tax relief for citizens in those States without the State income taxes.

Let me emphasize that a "no" vote on the previous question will not stop consideration of H.R. 4227, the Middle-Class Alternative Minimum Tax Relief bill. But it will allow the House to vote on reinstating the sales tax deduction option and correct the current tax inequity. But a "yes" vote will block Members from an up or down vote on this important tax relief.

Again, I urge a "no" vote on the previous question.

Mr. Speaker, I ask unanimous consent that the text of the amendment be printed in the RECORD immediately prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HASTINGS of Florida. Mr. Speaker, I yield back the balance of my time.

The material previously referred to by Mr. HASTINGS of Florida is as follows:

In the resolution strike "and (3)" and insert the following:

"(3) the amendment printed in Sec. 2 of this resolution if offered by Representative Baird of Washington or a designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall separately be debatable for 30 minutes equally divided and controlled by the proponent and an opponent; and (4)"

SEC. 2. The amendment referred to in (3) follows:

At the end of the bill insert the following new section:

**SEC. 3. DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.**

(a) IN GENERAL.—Subsection (b) of section 164 of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended by adding at the end the following:

"(5) GENERAL SALES TAXES.—In the case of taxable years beginning during 2004, for purposes of subsection (a)—

"(A) ELECTION TO DEDUCT STATE AND LOCAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.—

"(i) IN GENERAL.—At the election of the taxpayer for the taxable year, subsection (a) shall be applied—

"(I) without regard to the reference to State and local income taxes,

"(II) as if State and local general sales taxes were referred to in a paragraph thereof, and

"(III) without regard to the last sentence.

"(B) DEFINITION OF GENERAL SALES TAX.—The term 'general sales tax' means a tax imposed at one rate with respect to the sale at retail of a broad range of classes of items.

“(C) SPECIAL RULES FOR FOOD, ETC.—In the case of items of food, clothing, medical supplies, and motor vehicles—

“(i) the fact that the tax does not apply with respect to some or all of such items shall not be taken into account in determining whether the tax applies with respect to a broad range of classes of items, and

“(ii) the fact that the rate of tax applicable with respect to some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

“(D) ITEMS TAXED AT DIFFERENT RATES.—Except in the case of a lower rate of tax applicable with respect to an item described in subparagraph (C), no deduction shall be allowed under this paragraph for any general sales tax imposed with respect to an item at a rate other than the general rate of tax.

“(E) COMPENSATING USE TAXES.—A compensating use tax with respect to an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term ‘compensating use tax’ means, with respect to any item, a tax which—

“(i) is imposed on the use, storage, or consumption of such item, and

“(ii) is complementary to a general sales tax, but only if a deduction is allowable under this paragraph with respect to items sold at retail in the taxing jurisdiction which are similar to such item.

“(F) SPECIAL RULE FOR MOTOR VEHICLES.—In the case of motor vehicles, if the rate of tax exceeds the general rate, such excess shall be disregarded and the general rate shall be treated as the rate of tax.

“(G) SEPARATELY STATED GENERAL SALES TAXES.—If the amount of any general sales tax is separately stated, then, to the extent that the amount so stated is paid by the consumer (other than in connection with the consumer's trade or business) to the seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

“(H) AMOUNT OF DEDUCTION TO BE DETERMINED UNDER TABLES.—

“(i) IN GENERAL.—The amount of the deduction allowed under this paragraph shall be determined under tables prescribed by the Secretary.

“(ii) REQUIREMENTS FOR TABLES.—The tables prescribed under clause (i)—

“(I) shall reflect the provisions of this paragraph,

“(II) shall be based on the average consumption by taxpayers on a State-by-State basis, as determined by the Secretary, taking into account filing status, number of dependents, adjusted gross income, and rates of State and local general sales taxation, and

“(III) need only be determined with respect to adjusted gross incomes up to the applicable amount (as determined under section 68(b)).”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

Amend the title so as to read: “A bill to amend the Internal Revenue Code of 1986 to extend to 2005 the alternative minimum tax relief available in 2003 and 2004 and to allow a temporary election to deduct State and local general sales taxes in lieu of deducting State and local income taxes.”

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume.

I merely point out that the majority party will be here to discuss the merits of the bill. The last debate has been on the rule, irrespective of the debate we heard from the other side, which was neither on the rule nor on anything in the rule nor on the merits of the bill. So I will urge my colleagues to come

and pass the previous question, pass the rule, and get on with the debate on the bill, which is the extension of the AMT exclusion.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 220, nays 201, not voting 12, as follows:

[Roll No. 142]

YEAS—220

Aderholt	Dunn	Kirk
Akin	Ehlers	Kline
Bachus	Emerson	Knollenberg
Baker	English	Kolbe
Ballenger	Everett	LaHood
Barrett (SC)	Feeney	Latham
Bartlett (MD)	Ferguson	LaTourette
Bass	Flake	Leach
Beauprez	Foley	Lewis (CA)
Bereuter	Forbes	Lewis (KY)
Biggert	Fossella	Linder
Bilirakis	Franks (AZ)	LoBiondo
Bishop (UT)	Frelinghuysen	Lucas (OK)
Blackburn	Galleghy	Manzullo
Blunt	Garrett (NJ)	McCotter
Boehlert	Gerlach	McCrery
Boehner	Gibbons	McHugh
Bonilla	Gilchrest	McInnis
Bonner	Gillmor	McKeon
Boozman	Gingrey	Mica
Bradley (NH)	Goode	Miller (FL)
Brady (TX)	Goodlatte	Miller (MI)
Brown (SC)	Goss	Miller, Gary
Brown-Waite,	Granger	Moran (KS)
Ginny	Graves	Murphy
Burgess	Green (WI)	Musgrave
Burns	Gutknecht	Myrick
Burr	Hall	Nethercutt
Burton (IN)	Harris	Neugebauer
Buyer	Hart	Ney
Calvert	Hastings (WA)	Northup
Camp	Hayes	Norwood
Cannon	Hayworth	Nunes
Cantor	Hefley	Nussle
Capito	Hensarling	Osborne
Carter	Herger	Ose
Castle	Hobson	Otter
Chabot	Hoekstra	Oxley
Chocola	Hostettler	Paul
Coble	Houghton	Pearce
Cole	Hulshof	Pence
Collins	Hunter	Peterson (PA)
Cox	Hyde	Petri
Crane	Isakson	Pickering
Crenshaw	Issa	Pitts
Cubin	Istook	Platts
Culberson	Jenkins	Pombo
Cunningham	Johnson (CT)	Porter
Davis, Jo Ann	Johnson (IL)	Portman
Davis, Tom	Johnson, Sam	Pryce (OH)
Deal (GA)	Jones (NC)	Putnam
DeLay	Keller	Quinn
Diaz-Balart, L.	Kelly	Radanovich
Diaz-Balart, M.	Kennedy (MN)	Ramstad
Doolittle	King (IA)	Regula
Dreier	King (NY)	Rehberg
Duncan	Kingston	Renzi

Rogers (AL)  
Rogers (KY)  
Rogers (MI)  
Rohrabacher  
Ros-Lehtinen  
Royce  
Ryan (WI)  
Ryun (KS)  
Saxton  
Schrock  
Sensenbrenner  
Sessions  
Shadegg  
Shaw  
Shays  
Sherwood  
Shimkus

Shuster  
Simmons  
Simpson  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Souder  
Stearns  
Sullivan  
Sweeney  
Tancred  
Taylor (NC)  
Terry  
Thomas  
Thornberry  
Tiahrt  
Tiberti

Toomey  
Turner (OH)  
Upton  
Vitter  
Walden (OR)  
Wamp  
Weldon (FL)  
Weldon (PA)  
Weller  
Whitfield  
Wicker  
Wilson (NM)  
Wilson (SC)  
Wolf  
Young (AK)  
Young (FL)

NAYS—201

Abercrombie	Gutierrez	Napolitano
Ackerman	Harman	Neal (MA)
Alexander	Hastings (FL)	Oberstar
Allen	Hill	Obey
Andrews	Hinchey	Olver
Baca	Hinojosa	Ortiz
Baird	Hoeffel	Owens
Baldwin	Holden	Pallone
Becerra	Holt	Pascarella
Bell	Honda	Pastor
Berkley	Hooley (OR)	Payne
Berman	Hoyer	Pelosi
Berry	Inslee	Peterson (MN)
Bishop (GA)	Israel	Pomeroy
Bishop (NY)	Jackson (IL)	Price (NC)
Blumenauer	Jackson-Lee	Rahall
Boswell	(TX)	Rangel
Boucher	Jefferson	Reyes
Brady (PA)	John	Rodriguez
Brown (OH)	Johnson, E. B.	Ross
Brown, Corrine	Jones (OH)	Rothman
Capps	Kanjorski	Roybal-Allard
Capuano	Kennedy (RI)	Ruppersberger
Cardin	Kildee	Rush
Cardoza	Kilpatrick	Ryan (OH)
Carson (IN)	Kind	Sabo
Carson (OK)	Klecicka	Sanchez, Linda
Case	Kucinich	T.
Chandler	Lampson	Sanchez, Loretta
Clay	Langevin	Sanders
Clyburn	Lantos	Sandlin
Conyers	Larsen (WA)	Schakowsky
Cooper	Larson (CT)	Schiff
Costello	Lee	Scott (GA)
Cramer	Levin	Scott (VA)
Crowley	Lewis (GA)	Serrano
Cummings	Lipinski	Sherman
Davis (AL)	Lofgren	Skelton
Davis (CA)	Lowe	Slaughter
Davis (FL)	Lucas (KY)	Smith (WA)
Davis (IL)	Lynch	Snyder
Davis (TN)	Majette	Spratt
DeFazio	Maloney	Stark
DeGette	Markey	Stenholm
Delahunt	Marshall	Strickland
DeLauro	Matheson	Stupak
Deutsch	Matsui	Tanner
Dicks	McCarthy (MO)	Tauscher
Dingell	McCarthy (NY)	Taylor (MS)
Doggett	McCollum	Thompson (CA)
Dooley (CA)	McDermott	Thompson (MS)
Doyle	McGovern	Tierney
Edwards	McIntyre	Towns
Emanuel	McNulty	Turner (TX)
Engel	Meehan	Udall (CO)
Eshoo	Meek (FL)	Udall (NM)
Etheridge	Meeks (NY)	Van Hollen
Evans	Menendez	Velázquez
Farr	Michaud	Visclosky
Fattah	Millender	Waters
Ford	McDonald	Watson
Frank (MA)	Miller (NC)	Watt
Frost	Miller, George	Waxman
Gephardt	Mollohan	Weiner
Gonzalez	Moore	Wexler
Gordon	Moran (VA)	Woolsey
Green (TX)	Murtha	Wu
Grijalva	Nadler	Wynn

NOT VOTING—12

Ballance	DeMint	Reynolds
Barton (TX)	Filner	Solis
Bono	Greenwood	Tauzin
Boyd	Kaptur	Walsh

□ 1139

Messrs. MARKEY, RAHALL,  
DELAHUNT, HOFFFEL, SPRATT,

MOLLOHAN, THOMPSON of Mississippi, and OBEY, and Ms. CARSON of Indiana and Mrs. JONES of Ohio changed their vote from "yea" to "nay."

Mrs. CUBIN changed her vote from "nay" to "yea."

So the previous question was ordered. The result of the vote was announced as above recorded.

Stated against:

Mr. FILNER. Mr. Speaker, on rollcall No. 142, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted "nay."

Mr. BALLANCE. Mr. Speaker, I was not present for rollcall vote No. 142. Had I been present, I would have voted "nay."

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 142 on previous question on H. Res. 619, I was unavoidably detained. Had I been present, I would have voted "no."

The SPEAKER pro tempore (Mr. KOLBE). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ENGLISH. Mr. Speaker, pursuant to House Resolution 619, I call up the bill (H.R. 4227) to amend the Internal Revenue Code of 1986 to extend to 2005 the alternative minimum tax relief available in 2003 and 2004 and to index such relief for inflation, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 619, the bill is considered read for amendment.

The text of H.R. 4227 is as follows:

H.R. 4227

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Middle-Class Alternative Minimum Tax Relief Act of 2004".

#### SEC. 2. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF TO 2005.

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 55(d)(1) of the Internal Revenue Code of 1986 are each amended by striking "and 2004" and inserting ", 2004, and 2005".

(b) INFLATION ADJUSTMENT.—Subsection (d) of section 55 of such Code is amended by inserting after paragraph (3) the following new paragraph:

"(4) INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of any taxable year beginning in calendar year 2005, the \$58,000 amount contained in paragraph (1)(A) and the \$40,250 amount contained in paragraph (1)(B) shall each be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '2003' for '1992' in subparagraph (B) thereof.

"(B) ROUNDING.—Any increase determined under subparagraph (A) which is not a multiple of \$50 shall be rounded to the next lowest multiple of \$50."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in

order to consider an amendment in the nature of a substitute printed in House Report 108-477, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read, and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Pennsylvania (Mr. ENGLISH) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House will consider one of the most important bills from the standpoint of tax equity that we will consider this year, the Middle-Class Alternative Minimum Tax Relief Act, a bill to make sure that the tax cuts which allowed middle-class families to keep more of their income over the past 3 years will not be undermined by the Alternative Minimum Tax.

There is little dispute, certainly none outside of this Chamber, that the Republican tax cuts helped families cope with economic uncertainties and played a significant role in stimulating the economic growth that we are seeing today. But if we do not act now to give the taxpayers another year of reprieve, the AMT will suddenly reappear and 11 million taxpayers will be hit with an average tax increase of \$1,520.

Mr. Speaker, by preventing middle-class Americans from claiming their rightful exceptions from tax liability, the AMT punishes families with children or those who live in high tax localities. If we do not act, married couples will see their AMT exceptions snap back from a threshold of \$58,000 to \$45,000. Single individuals will see their AMT exception drop from \$40,250 to \$33,750.

Mr. Speaker, let us be clear about this. These are not wealthy people. These are middle-class Americans who would be slapped with a steep tax hike that they would not know about until tax day, when they learn that the tax exemptions that they thought they could take, the same tax exemptions we intended for them to take and told them we were giving them, would no longer apply.

For example, a family of four with a household income of \$58,000 would, in 2005, be hit with the AMT. I am sure that no one here would seriously argue that that family is wealthy.

Today, the House has the opportunity, indeed, the duty, to extend AMT relief for 1 year and to ensure that middle-class Americans are not faced with an increase in their tax liability; and we must do this without raising taxes someplace else and stifling growth and killing jobs.

Mr. Speaker, this is an important measure to buy us time to truly reform the AMT and, as I hope, to repeal this regressive tax entirely. I have taken it upon myself to work with a number of

colleagues, including the gentleman from Louisiana (Mr. McCRERY), a fellow member of the Committee on Ways and Means, to form a Zero AMT Caucus. We will have our day; but in order to get there, we need to pass this bill today on behalf of working families.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me join in with the gentleman from Pennsylvania in trying to work to eliminate this burden that has been placed on people that it was never intended to penalize. But, Mr. Speaker, before we can work together on this issue, the issue has to come before our committee. Is that not a novel idea, a tax bill coming before the Committee on Ways and Means?

□ 1145

Why is it that we yield our authority, our jurisdiction to the Committee on Rules? Is this not something that should not be a partisan issue? Is this bill, this AMT, not adversely affecting Democrats and Republicans and liberals and conservatives? Why do we have to, in the middle of the night, shift this over to the Committee on Rules and then come to the House floor and say we want to spend \$167 billion to go into debt but we only want to do it for 1 year? That is truly unfair.

Why do you give away tax relief for the marriage penalty and then take it back away with the alternative minimum tax? Why do we have this sloppy way to develop a Tax Code that is so complicated that it takes hours for people to try to get the benefits that we say we are giving to them?

So what I am saying to my friend from Pennsylvania, please do not tell us how you have got to struggle to make this permanent. Tell us how we can get the jurisdiction back in the Committee on Ways and Means.

It would be wonderful if you were saying that we were going to schedule hearings on this so witnesses can come forward. And while you are doing that, would you please tell the American people whether they are providing this tax relief at the expense of the debt that they are giving their children and grandchildren.

Would it not be good to know how you intend to pay for this? Where do we get the \$17 billion? Do we take it away from DOD as we fight in Iraq? Do we take it away from homeland security or do we borrow it so the Chinese can buy our debt?

I do not know. I am 74 so it may not be my problem, but it may be the problem of our children and our grandchildren, as we give relief, which we should give on a permanent basis in one hand, and then we take it back from our children and our grandchildren. This is no place to legislate this complex legislation.

I just hope that no matter what happens at the end of this year, that somebody has the guts to say that tax legislation should come from the Committee on Ways and Means and not the distinguished Committee on Rules.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I ask unanimous consent that the gentleman from Washington (Mr. McDERMOTT) be allowed to control the remainder of my time.

The SPEAKER pro tempore (Mr. KOLBE). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ENGLISH. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I note that this issue has come up repeatedly before the Committee on Ways and Means. The Committee on Ways and Means has repeatedly worked its will on this issue and it has made very clear that it is committed to this kind of exemption. The Committee on Ways and Means is clearly in the loop in this.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. CRANE), a distinguished member of the Committee on Ways and Means.

Mr. CRANE. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, in 1969 Congress enacted the individual alternative minimum tax, AMT. The purpose of this tax was to require that all taxpayers pay some tax on their income. We can have a debate about the merits, or lack thereof, of the AMT and I hope that in time we will.

Many of the provisions of the Tax Code that gave rise to the AMT do not exist today and have not existed for many years. However, today a more immediate issue confronts us. Mr. Speaker, the Clinton tax increase of 1993 increased the AMT tax rate but failed to adjust the exemption numbers for inflation. As a result of this tax increase, millions of American families, middle income families are forced to pay the AMT each year.

President Bush's 2001 and 2003 tax relief bills increase the AMT exemption amount from \$45,000 to \$58,000 for married couples and from \$33,750 to \$40,250 for single individuals. These increases ensure that the AMT is the result of the tax relief provided in the 2001 and 2003 tax relief laws do not hit middle income families. However, if we do not act now, this relief will expire at the end of this year. As time goes on and as inflation and costs increase, the number of taxpayers subject to the AMT increases.

If we do not act, over one million single filers and seven million married filers will be caught up in the AMT. The legislation before us today will extend the 2003 tax relief through 2005 and will adjust the exemption amount for inflation. Single filers earning up to \$40,900 and married couples earning up to \$58,950 will be exempt from the AMT.

Mr. Speaker, millions of middle class Americans run the small businesses

that are the backbone of our economy. It is private citizens, not the Federal Government, that create this Nation's wealth and pay this Nation's taxes. If we do not act today, nearly eight million middle class taxpayers will suffer from our inaction. That is unconscionable and I urge my colleagues to support this legislation.

Mr. McDERMOTT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is one of those days when we come out here and try to fix a problem the Republicans created for themselves. Ever since you have been in charge of this place, you did not want to have regular order. You wanted to run bills through the committees without having any witnesses come in and talk about them. You would not listen to what people said to you. And now you have a big problem on your hands and you want to come out again today and put one more Band-Aid on a program that you put a Band-Aid on last year, and you will be back next year and next year and next year because you never understood what you were doing.

Now, when this bill went into effect in 1987, it was designed to tax those people who made lots of money and paid not one penny. That is what it was about. It affected .1 percent of the payers in this country. And the same was true even with the adjustments that we made in 1993 when I was here. The numbers were essentially the same, around .2 percent of taxpayers. Today we are looking at 25 percent of the people in this country are having to figure their taxes twice, because the Republicans made all those tax cuts in 1997 and paid absolutely no attention to what was going on.

If you live in a high tax State like New York or like California or like a lot of the progressive States in this country, and you have a couple of kids, you cannot deduct the money you pay in State taxes. You cannot deduct the money you pay in local taxes. You cannot deduct the deductions for your children. That is why it is sweeping down into the middle class. Half of the households who will be paying this tax are making less than \$100,000 a year and over a third of them will be paying between 50 and \$75,000.

Now, consider we made these great big tax cuts, we gave \$112,000 to people making more than a million and we gave \$676 to people in the average income range in this country. And then we turn around and slap them with the AMT tax. Most Americans do not know what the AMT is. It is called, for those of you watching this on television including somebody at the White House maybe, alternative minimum tax. It means if you are not paying enough income tax, then you have to pay this alternative.

Now, what has happened because the Republicans messed it up so badly, they have now swept up about a quarter of the taxpayers in the country with it rising to a third if they do not

do something about it, and they have done that while they were busily helping their friends at the top who were not paying taxes anyway.

Now, this bill is another, as I say, Band-Aid. We have an alternative which will be offered by one of my colleagues from Massachusetts which solves the problem in a much more reasonable way and gets the middle class out of this tax trap.

Mr. Speaker, the following is an article from the Seattle Post-Intelligencer which describes this whole program.

[From the Seattle Post-Intelligencer, Jan. 17, 2004]

#### GET READY FOR THE ALTERNATIVE MINIMUM TAX

(By Mary Deibel)

Few Americans have heard of the alternative minimum tax, but many taxpayers are about to find out that it's the biggest financial setback they face, an IRS taxpayer advocate says.

"Although the AMT was originally enacted to prevent wealthy taxpayers from avoiding tax liability through the use of tax avoidance techniques, it now affects substantial numbers of middle-income taxpayers and will, absent a change of law, affect more than 30 million taxpayers by 2010," taxpayer advocate Nina Olson said in her 508-page annual report naming this parallel tax system taxpayer enemy No. 1.

Olson should know: State and local taxes pushed her into the alternative minimum tax last year so now it is personal as well as professional for her.

And it's about to get personal for lots of other taxpayers, too. Absent action by Congress and President Bush, one in four households will owe the alternative minimum tax by 2010.

Some 52 percent of them will be families making \$100,000 or less a year, including 73 percent of households making \$75,000 to \$100,000 and 37 percent making \$50,000 to \$75,000.

Married couples—especially couples with lots of children—are most apt to be hit by the alternative minimum tax, which prohibits deductions for dependents along with write-offs for mortgage interest, state and local taxes, medical expenses and the like.

"It's a class tax that became a mass tax," says Urban Institute economist Len Burman, who co-authored the study projecting the future growth of the alternative minimum tax unless the tax code is changed.

Congress enacted the tax in 1969 after being flooded with mail protesting reports that 155 ultra-rich Americans gamed the system to avoid paying a penny toward income tax.

The alternative tax has been on the books since then, never indexed to inflation the way regular income taxes have been since 1981.

The tax breaks President Bush and Congress enacted since 2001 expanding child tax credits, "marriage penalty" relief and the like make it more likely taxpayers who try to claim these write-offs will owe the alternative minimum tax.

The 2003 tax cut contains a temporary provision that will help many families avoid the alternative minimum tax for just one year.

Repealing the tax through 2010 would cost the Treasury \$600 billion in revenue, according to the non-partisan Tax Policy Center, a Washington think tank.

Meanwhile, taxpayer advocate Olson says taxpayers who might owe the alternative minimum tax can expect to pay a higher tax bill and spend an extra 12 hours preparing their 2003 taxes.

Many won't owe it, but they still must spend the extra half-day on the paperwork, she says.

Mr. Speaker, the average citizen in this country is not aware what is happening; and the Republicans are out here today, the reason they do not want to have hearings in the committee is it might get on CSPAN. Some people might find out what was really going on in the tax structure. But, no, we have to come out here, take it up to the Committee on Rules in the middle of the night, slip it down on the floor; and slam, bam, thank you, ma'am, it is out of here in an hour so that people will not know how badly you have messed it up for the middle class.

You have got to put these commercials on that say the middle class have benefited immensely from our tax cuts, and then you run out here to take the pain away that you are creating for them. And in my view, it could all be stopped if you simply would follow the regular order and allow this to be a debate in this House and about the issues that you are changing. To go from .1 percent of the taxpayers to 25 percent of the taxpayers, including people making between 50 and \$75,000 without letting people ever, their representatives in the Congress, to have an opportunity to explain that to the American people, is absolutely unacceptable.

We will all vote for this bill, but it is another Band-Aid; and you will be back here next year. I bet you a month of my salary on that.

Mr. Speaker, I reserve the balance of my time.

Mr. ENGLISH. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida (Mr. SHAW), a member of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me time.

To listen to the gentleman from Washington (Mr. McDERMOTT) you would think that the Republicans are the ones that invented this tax. This was put in in the 1980s and under a Democrat Congress.

Also, I would like to remind the gentleman from Washington (Mr. McDERMOTT) that in 1993, I believe without a single Republican vote, the rate was increased. We are trying now to roll some of this back. Is it enough? No, it is not enough. We need to do more. In fact, we need to kill this thing entirely, but until we can find the revenue, at least this would get to the middle class people, people that it was never intended to get, and to stop the bracket creep and the problem that they are having.

These are folks that are struggling to educate their kids, to buy groceries and pay their mortgages. They do not need an alternative minimum tax. It has got to be done away with. It should be done away with all the American taxpayers. This is a small step but it is a meaningful step. And I would predict that we would get a unanimous or near unanimous decision out of this House.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Speaker, I rise today on behalf of the more than 2 million taxpayers who are unfairly burdened by the alternative minimum tax. As we know and it was explained today, it was designed in 1969 to ensure that the wealthiest Americans would still pay a fair share of taxes. The AMT now ensnares many middle income Americans in what was once envisioned as an alternative minimum tax has become nothing short of a mandatory maximum tax. And those it sought to protect have become its greatest victims.

Let us be clear on what the AMT is not. It is not a technicality of significance to only a few bureaucrats and the tax intelligentsia. It is not a mere glitch, the repair of which would only help a handful of disproportionately rich individuals. It is a system that affects 2.4 million families this year. A system that, if left unchecked, will affect nearly 75 percent of families making \$75,000 to \$100,000. It is a system that, in my district, can cost an individual making a good living, but not a lavish living and taking itemized deductions, thousands of dollars more in taxes each year.

In 2008, a family making over \$50,000 with three children would be affected. Any family with one child or more, 60,000 would be affected.

□ 1200

Although I am pleased to see bipartisan support to act to ameliorate the AMT, these temporary remedies will only be as valuable as the permanent solutions developed in the interim. These measures have the potential to help millions of families this year, but we must work together to crack the system that protects all hardworking Americans going forward.

I support the fiscally responsible Rangel substitute and urge my colleagues to help put an end to the inequities of the alternative minimum tax.

Mr. ENGLISH. Mr. Speaker, it is a great privilege for me to yield 4 minutes to the gentleman from Connecticut (Mr. SIMMONS), the prime sponsor of this legislation and a real advocate for middle-class taxpayers.

(Mr. SIMMONS asked and was given permission to revise and extend his remarks.)

Mr. SIMMONS. Mr. Speaker, I thank my friend from Pennsylvania for yielding me the time.

I rise today in support of the Middle-Class Alternative Minimum Tax Relief Act of 2004, a bill that will prevent millions of middle-class, middle-income Americans from paying higher taxes next year.

Mr. Speaker, when the IRS's national taxpayer advocate Nina Olsen presented her annual report to Congress at the end of last year, she deemed the AMT, or the alternative minimum tax, as "the biggest problem taxpayers face today." She did not say upper-income taxpayers. She did not say top tax

brackets. She did not say wealthy taxpayers, but simply taxpayers. In fact, middle-class families with children are becoming increasingly liable to come under the AMT for several reasons.

First, the baseline exemptions in this tax were never exempted for inflation. So as more and more Americans have entered into the middle class over the past 25 or 30 years, they have outrun the exemption and, therefore, fallen into the AMT trap.

Secondly, the AMT has begun to fall especially hard on middle-class families with children, the very people we in this body have aimed to help, not hurt, with our tax laws. These Americans work hard, they play by the rules, they pay their taxes year after year and are now sending more of their earnings to the Federal Government because this tax does not allow them to take the standard deduction for married couples, and it does not allow them to enjoy individual exemptions for themselves and their children.

What is more, as my colleague from New York has indicated, high-tax States such as New York and Connecticut are much more likely to be caught because the State, local, and personal property taxes are not deductible. Connecticut is the most taxed State in the Nation; and this year, around April 15, I heard from many of my constituents about the AMT tax.

Just last week, on a radio call-in show, I heard from a constituent, Rose Curran. She called in to complain about the AMT. Rose and her husband, Dan, did not have to pay it this year, but they anticipate that if we do not act they will pay it in the next couple of years.

Rose is a retired State employee whose only income is Social Security. Dan is a Vietnam veteran, disabled, a retired sailor from the U.S. Navy who now works as a civilian at the submarine base in Groton. I do not consider Rose and Dan Curran what I would call wealthy or rich people. They do not either, and yet they are concerned that if Dan keeps working at the submarine base they will fall into this trap.

This is one of the reasons why I introduced the Middle-Class Alternative Minimum Tax Relief Act of 2004, to extend through 2005 the AMT relief provided in the 2003 law. This measure will ensure that taxpayers who are currently exempt from the AMT will continue to be protected because AMT will be indexed for inflation over the next year.

If this legislation is not enacted, Mr. Speaker, the number of working families affected by the AMT will increase from over 3 million this year to over 11 million in 2005. Here is a chart that illustrates what will happen. We will go from 3 million to 11 million. If we enact this legislation, we will remain at the 3 million.

Mr. Speaker, I urge all of my colleagues to join me today in support of middle-class Americans like Dan and

Rose Curran of Norwich, Connecticut. I urge their support for this legislation.

Mr. Speaker, I rise today to support my "Middle-Class Alternative Minimum Tax Relief Act of 2004," a bill that will prevent millions of middle-class Americans from paying higher taxes next year.

In 1969, the Treasury Secretary testified before Congress that 155 individual taxpayers with incomes above \$200,000 paid no Federal income tax on their 1967 tax returns by taking advantage of the many exemptions and deductions in the tax code. This revelation sparked an immediate backlash from the American people. That year Congress received more constituent letters regarding those 155 taxpayers than on the Vietnam War.

Following this outburst from taxpaying constituents, legislation was passed that created a minimum tax designed to ensure that wealthy individuals could not escape income tax liability. It was termed the alternative minimum tax or "AMT," for short.

The AMT is a parallel tax system. You calculate your taxes under the normal tax system and again under the AMT. Whichever one yields a higher tax is the one you pay. The difference is that when calculating the AMT you cannot take the standard deduction, child exemptions, or deduct state, local, and personal property taxes. Without these important deductions, the AMT often carries the higher price tag of the two. Over three million American families discovered this just last month when calculating their taxes. For them, the AMT became their income tax.

Mr. Speaker, when the IRS's national taxpayer advocate, Nina Olsen, presented her annual report to Congress at the end of last year, she deemed the AMT to be the "biggest problem taxpayers face today."

I would urge my colleagues to note that Ms. Olsen said "taxpayers." Not upper-income, not top bracket, not wealthy taxpayers, but simply taxpayers. In fact, middle-class families with children are increasingly liable to come under the AMT for several reasons.

First, the baseline exemptions in this tax were never indexed for inflation. So as more Americans have entered the middle-class over the past 30 years, they have "outrun" the exemption and therefore fallen into the AMT trap.

Second, the AMT has begun to fall especially hard on middle-class families with children—the very people who we in this body have aimed to help not hurt with our tax laws. These Americans—who have worked hard, played by the rules, and paid their taxes year after year—are now sending more of their earnings to the Federal government because this tax does not allow them to take the standard deduction for married couples and it does not allow them to enjoy individual exemptions for themselves and their children. The more children a family has, the more likely they will be forced into the AMT.

What's more, if families hail from high-tax States like Connecticut they are much more likely to be snared, as State, local, and personal property taxes are not deductible under the AMT. I represent the most-taxed state in the nation. This time of year I am hearing more and more about the AMT.

Just last week while participating on a call-in radio program I heard from a constituent of mine from Norwich, Connecticut. Rose Curran and her husband, Dan, did not have to pay

the AMT this year, but they did owe Federal taxes for the first time in years. In going over their return, they discovered the AMT and were curious about what it was. Upon learning more about its current exemption levels, they realized that this supposed "tax for the rich" may well affect them in future years.

Rose is a retired State employee whose only income is social security. Dan is a disabled Vietnam veteran and retired sailor who works now as a civilian at the Subase in Groton. Mr. Speaker, I don't think Dan and Rose Curran would call themselves "rich." But they are concerned that if Dan keeps working at the base they will fall into this tax trap. During my conversation with Rose I urged her to follow up with office and I promised that I would look into this matter.

When I did I was stunned. As one publication put it, this problem is "growing like the monster from the tax lagoon."

Today, the AMT exemption amount for a married couple is \$58,000. However, this relief is scheduled to expire at the end of the year. Without action, the exemption amount will drop from \$58,000 to \$45,000 in 2005—raising taxes on millions of hard-working, middle-income families beginning next year. The exemption for individual payers will drop from \$40,250 to \$33,750 with the same result.

Therefore I have introduced the "Middle-Class Alternative Minimum Tax Relief Act of 2004," to extend through 2005 the AMT relief provided in the 2003 law. This measure will also ensure that those taxpayers that are currently exempt from the AMT will continue to be protected from the AMT because it will be indexed for inflation over the next year.

If my legislation is not enacted, Mr. Speaker, the number of working families affected by the AMT will increase from over 3 million this year to over 11 million in 2005. Let me repeat that—over 11 million Americans will face this surtax next year without action on my bill today. What's more, the 8 million new families paying the AMT will face an average tax increase of \$1,520 according to the Joint Committee on Taxation.

I'm sure that many of my friends here today will say that this won't solve the greater structural problems of this tax and that this is just a temporary fix. There is some truth to that. Thanks in part to the diligent work of people like my colleague from just next door, the gentleman from Massachusetts, Mr. NEAL, we all recognize the seriousness of this issue and the need for a long-term solution. But let's not get so mired in debating how to address the long-range consequences of this problem that we fail to provide this critical extension.

Mr. Speaker, what began as a way to make sure that high-income Americans payed their fair share has today become little more than an unfair surcharge on people who choose to get married, have children and work their way into the middle class. My friends, the fireman and the teacher making around \$65,000 together are not rich. They work hard every day to put food on the table, pay the mortgage, and save for their children's education. They cannot afford high-priced accountants to help them reduce their tax bill. But if this couple has three children and takes the standard deduction, they WILL—according to CRS—pay the AMT next year if we don't act. Let's make sure—with this legislation—that next April people like Rose and Dan Curran do not pay the considerable price of the alternative minimum

tax because we failed to act on their behalf today.

Mr. Speaker, I urge all of my colleagues to join me in support of middle-class Americans like Dan and Rose Curran of Norwich, Connecticut and support the "Middle-Class Alternative Minimum Tax Relief Act of 2004."

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCARELL).

Mr. PASCARELL. Mr. Speaker, my friend from Connecticut has spoken somewhat of the truth, but the anecdotal stories that have been presented on the floor are only an indication of all of the things that are happening throughout the United States, and if we really care about shifting the burden of the alternative minimum tax right now up the scale rather than trying to burden the middle class, then we should do this and be honest with the American people and tell us what the effects are of all the taxes, because we are giving with one hand and we are taking back with the other hand.

Today presents us with yet another cynical ploy of gimmicks and illusions masquerading as long-term tax policy. Indeed, despite the widespread acknowledgment of the urgency for preventing large swaths of the middle class from being sucked into the alternative minimum tax over the next decade, neither the administration nor the leaders in the House or the Senate are willing to propose permanent relief.

Why is that? Is it because some of my friends do not want to acknowledge the overall cost of the AMT? Is it because some of my friends want to make our tragic budget situation seem less grim? Was the decision to provide AMT relief for only 1 year designed to understate the cost of other tax cuts enacted, as well as various pending tax cut proposals, including those to make 2001 and 2003 tax cuts permanent?

I think we all know the answers to the questions. We should. It is unfortunate. For over 3 years, this body has employed deceptive budget stratagems to force through politically infused tax cuts that threaten our Nation's long-term fiscal health, and so it continues.

We should all vote for the Rangel substitute. We should all say enough burden on the middle class. This bill is reported to cost a relatively modest \$17 million, but if we extend it as expected, its actual long-term costs are much higher. Why do we not tell the American public what it will cost, since we want to stretch out the permanent tax cuts for another 10 years? Why do we not tell them what it is going to cost? We do not want to do that because folks are going to ring back and say, oh, my God, that is a lot of money.

Indeed, by proposing a 1-year fix to a perpetual problem, H.R. 4227 purposely obscures not just the long-term costs but also the other tax cuts recently enacted.

Mr. ENGLISH. Mr. Speaker, I yield myself 15 seconds just to say to the gentleman what is fairly clear and Chairman Greenspan recently indicated to us before the Joint Economic



Committee that the tax cuts are working as a tonic for the economy. Clearly they are helping us to expand our tax base and move back toward a balanced budget, and that is fairly clear.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. SAM JOHNSON), a member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, the AMT is a sneaky tax. It is a parallel tax system where normal rules of income and deductions do not apply. You lose most of your deductions and your children become a liability.

The bill we are debating today will keep this sneaky tax from taking away the benefit of many of the 2001 tax cuts. However, we are just holding back the tide of the AMT that in 2008 will swamp the tax system and actually collect more money than the rest of the income tax system combined.

Yes, it is going to be cheaper to repeal the entire income tax system than to repeal the AMT. I think this sneaky, destructive tax will finally cause the income tax system to implode.

This bill today will buy us some more time so we can get on with building a consensus on replacing the income tax system. We need to replace our income tax system that is, as my colleagues know, economically destructive, impossibly complex, and overly intrusive. It has impeded our ability to create jobs, encourage savings and investment, and realize the American dream.

When I speak with constituents, the biggest applause line I get is about abolishing the IRS. I think that the system, any replacement, any new system, should reduce the role of the Federal Government, encourage savings and investment, be simple, and most of all, it must be fair. AMT does none of this, and we must repeal it; but until we can repeal it, we must hold harmless those Americans whose taxes are being raised in the next year.

One additional interim step we need to take is to help those trapped in AMT through exercise of incentive stock options or ISOS. In this instance, the AMT requires people who exercise options on their employer's stock to pay tax on phantom profits. Many people stuck in AMT owe tens of thousands or hundreds of thousands of dollars in AMT on phantom profits never realized because the bottom fell out of the market. We cannot justify a tax system where taxes are owed when no gain was ever realized.

I hope we will also be able to fix this inequity as this bill moves through the process; but for sure, we need to get rid of this sneaky tax now.

Mr. McDERMOTT. Mr. Speaker, I yield myself 15 seconds.

The gentleman from Texas talks about this being a sneaky tax sneaking up on people. It is only sneaky because my colleagues would not have hearings. If they would have listened to us when they were passing these tax bills in 1997 and 1998 and 1999 and 2000, we

told them over and over again, we offered these changes that were necessary then and it all happens now. They say we snuck up on them.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentleman for yielding time to me; and I, too, rise in strong support of the alternative minimum tax reform. In fact, I would go so far as to say, if there was one tax that should be permanently reformed, it would be this one.

First of all, as everyone has mentioned, many middle-income people find themselves caught with this tax. They have plenty of deductions, but they are not allowed to deduct it because they have met the threshold, and it certainly is regressive and should be changed.

In 1969, the tax was put into effect. It has not been modified since it makes no sense whatsoever not to have it indexed to inflation; and again, if there was any tax reform that ought to be made permanent, it should be this tax.

We have heard about other taxes. The estate tax is one with which I do not agree that that tax should be permanently repealed. The estate tax repeal would only benefit the very, very high-income people, and I think they should pay their fair share; but this alternative minimum tax really hits a lot of working people, a lot of middle-class people and is really grossly unfair.

If a person lives in a high-tax State, as was mentioned by my friends from New York and Connecticut, it even hurts and hits them even more so. This tax, as it is currently written, makes no sense at all. I would hope that after this 1-year extension we could put our heads together and come back with something that makes sense, a permanent reform.

While this bill is a step in the right direction many middle class families that are hurt by the AMT, will not be helped by this and will only be helped by a total re-write of the AMT and a permanent reform.

I think on this side of the aisle the point had been made that the Committee Ways and Means, which is the tax-writing committee, ought to have hearings. And after we can finally put together a plan that would reform the AMT permanently for good.

Right now, I will take this quick fix, but we ought to build on to it. We should permanently reform the AMT. It makes no sense whatsoever to keep doing short-term extensions on tax policy that hurts a lot of hardworking families.

Mr. ENGLISH. Mr. Speaker, I first yield myself 15 seconds to thank the gentleman from New York for his presentation. It was very thoughtful. I want to associate myself with his remarks. We appreciate his making this debate very bipartisan, and I welcome him to get involved in our Zero AMT Caucus and try to work on a bipartisan basis to deal with this problem.

Mr. Speaker, it is a great privilege for me to yield 5 minutes to another

gentleman from New York (Mr. HOUGHTON), who has put an extraordinary amount of time in on this issue, the chairman of the Subcommittee on Oversight of the Committee on Ways and Means, my colleague.

□ 1215

Mr. HOUGHTON. Mr. Speaker, I thank the gentleman for yielding me this time, and say to the gentleman from New York (Mr. ENGEL) that we have fought a good fight on many issues, and I am delighted to be associated with the gentleman on this.

Mr. Speaker, I am not going to talk about the alternative minimum tax. People have described it, nobody wants it, we want to get rid of it. The question is how. Do we do it the Democratic way or the Republican way. I happen to believe that H.R. 4227, the bill of the gentleman from Connecticut (Mr. SIMMONS), is the right approach.

I guess the only thing I would hope is that we would not get tangled up in two things: One is we not get tangled up in the politics of this thing. This is a national interest. We could argue back and forth and criticize each other, but the point is people are going to get hurt and we have to stop that. The other thing, I hope we do not get tangled up in procedural issues. This is a procedural House, but the impact is not procedural on people on the outside.

I want to thank the gentleman from Pennsylvania (Mr. ENGLISH) and the gentleman from Connecticut (Mr. SIMMONS) for what they have done. The gentleman from Connecticut (Mr. SIMMONS) has really been the watchdog here for a lot of people who could get hurt, and they do not know they could get hurt. The fact that they have been watchful and sensitive to the human condition is very important.

As Members have said, this is a stop-gap measure. But without this, we cannot go to the next leg. The next leg is to get rid of a tax. It is an interesting concept because before 1986, people with large amounts of capital could give that capital away; and, therefore, under provisions of the tax law, would not have to pay any tax. It was not fair and it was not democratic, and that is why this thing came into effect.

But there was no indexing, and that is why this is creeping up and involving enormous numbers of people. There are over 3 million people now, and there will be another 8 million involved. It is a very hurtful tax. I think it is a very good idea. If you want to vote the Democratic proposition, that is fine. I happen to believe what the gentleman from Connecticut (Mr. SIMMONS) has done is right on target. It is essential. It is straightforward, simple, and will benefit everybody. Therefore, I request that Members support the bill, H.R. 4227.

Mr. McDERMOTT. Mr. Speaker, I yield myself such time as I may consume.

I would say to my distinguished colleague, the gentleman from New York



(Mr. HOUGHTON), we are going to miss the gentleman when he leaves Congress. It will be a loss for all of us. The gentleman said this is a tax that nobody wanted. Well, if we take the Democratic alternative and look at it in the Statement of Congressional Findings and Purposes, and mostly Members blow through these bills and never read that. I have a little bit of time, so I would like to say a few things about it.

In 1986, because of tax preferences on oil and gas depletion and a whole lot of things, there were a number of people in this country who made a lot of money who then could write it all off because they had these preferences on oil and gas exploration and so forth. So there was an agreement in this House to put in an alternative minimum tax, believing that every American ought to pay something. No matter how rich or how poor, we believe that each worker should put something in the pot. Here we had these people at the top who figured out how to get rid of it all. So we put the alternative minimum tax in.

Then came the 1990s and we had tax reform. We got rid of all of those preferences. Even when we did that, we still had less than 1 half of 1 percent of taxpayers who paid this alternative minimum tax. It never became a problem until 1997 when we took away the personal deductions and the deductions for kids, and we suddenly swept up a quarter of the people this year. If we look at the projections, we are going to have three-quarters of the people paying this thing at some point down the road.

We could have fixed it along the way, but most people did not want it in the first place, and so they said let us get rid of it. Those people on the top should not have to pay anything if they can figure out how to get out of it. So we have not fixed it.

I give you a tale of two taxpayers. There is one standing here, and I have a wife who works and the two of us make a nice living. We have good salaries. We do not have any children, and we do not pay the alternative minimum tax. And the other thing is I live in Washington State. We do not have a State income tax. A great State to live in. It wants folks to come and visit, but do not stop there and live. We do not have any problem with the AMT.

Mr. Speaker, I am not arguing for myself. I am arguing for these people behind me who live in the District of Columbia. One has two kids, one has four kids. They have to pay it on staff salaries in the House of Representatives. Tell me where is the fairness in that tax structure? How is it my wife and I benefit tremendously from this system, and we clobber the people in the middle class behind us? That is why we are here today.

Obviously, Republicans realize that the people out there are going to find things out when they do their taxes. They start through the form, and if you have an adjusted gross income of

\$58,000, you should begin to figure your taxes in a parallel fashion, the regular income tax form, the 1040, and then there is the alternative minimum tax. So there you are at \$60,000, \$70,000, and you have to figure your taxes twice.

If you ask the IRS, they put out a flyer that says it takes 3 hours and 56 minutes to figure the alternative minimum tax. Now people are filling out their tax forms making \$70,000, a lot are not using accountants, that is their time. So we are putting them through the wringer twice to fill out their taxes because you would not listen.

Now this idea that we will repeal the alternative minimum tax, that is nice. That is a great idea. You know who that helps, well, it helps these people behind me a little bit, but it helps the people at the top. Again, it would be a give-away to the people on the top. I understand what the Republican Party is all about. I believe that is what your goal is. That is a major plank in your platform, is no one who has millions of dollars should pay anything, they know how to use their money, we should let them have it and they will invest it and we will have a lot of jobs.

Well, these tax cuts have not worked in the State of Washington. They have not worked in the State of Washington. We have more people unemployed today than we have ever had. It is the highest long-term unemployment we have ever had since the 1950s, and we are still waiting for the recovery. In February, there were 21,000 jobs created, all government jobs. So the tax cuts did not work except for people who had a lot of money. The next month, March, we had 306,000 jobs. Goodie, we are growing.

The fact is that economists say that it takes 250,000 new jobs every month to simply keep up with the growth in the labor force in this country. So 300,000 is just barely replacement, saying nothing about the 3.5 million that we have lost since President Bush has been in office.

This economy has been an absolute disaster for the middle class and the ordinary working people in this country. This tax structure Republicans have created is awful. We will vote for this today. There is no Member who is not going to vote to put a 1-year patch on it, but it is not being fixed. As a Member said, the way things are going, down the way, you are going to have half the people we are going to have to deal with, and at some point it is going to cost a lot of money.

The other side of the aisle would not fix it in 1997. We tried to tell them, but they were too smart and too full of their own ideas and ideology to look at what they were doing to people, and that is why we are here today. We certainly will all vote for it.

Mr. Speaker, I reserve the balance of my time.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. Mr. Speaker, I rise today in support of H.R.

4227 to extend the alternative minimum tax relief to our Nation's middle class and working families. This legislation will ensure that almost 8 million Americans are not going to be subject to unfair higher taxes. It is interesting because just last week, I listened to my colleagues on the other side of the aisle. About 100 of them actually voted against the marriage penalty relief. They said that offering this Nation's working families relief from a tax on marriage was inconsequential because these families would be subject to AMT.

H.R. 4227 is a pro-growth, and most importantly, pro-family piece of legislation that will help us fix this problem.

Mr. Speaker, as has been mentioned already several times today, the original intent of AMT provisions in our Nation's Tax Code were designed to prevent high-income taxpayers from using tax deductions, from using write-offs, as well as loopholes from avoiding paying their fair share of taxes. But under the leadership of the Democratic Party prior to 1995 and their obstructive politics since then, the AMT will continue to force hard working middle class families to pay more than their fair share unless something is done.

H.R. 4227 at least offers a temporary fix to this problem until Congress can develop a permanent solution. I commend President Bush and the majority party in Congress for implementing an economic growth package that has all of the economic indices on a positive trend line. Consumer confidence in our economy is on the rise because thanks to the leadership of President Bush, more Americans are able to keep more of their hard-earned money. The President and the Republican majority trust and believe in the American people. By extending relief from the AMT, we can make sure that taxpayers are not paying more than their fair share and they can have money in their pocket to help expand our economy even further.

Mr. Speaker, this House is faced with an important decision today, one that will affect up to 8 million working families. I support this legislation because I support those families. I urge my colleagues to make the right decision and vote to pass this.

Mr. McDERMOTT. Mr. Speaker, I reserve the balance of my time.

Mr. ENGLISH. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise in strong opposition to the Rangel substitute. Under the guise of individual tax relief from the alternative minimum tax, or AMT, the Rangel substitute would raise taxes by \$15 billion. This new tax increase would fall squarely on the shoulders of America's small businesses, the same American companies that create jobs and drive our Nation's economic engine.

The tax relief this Congress has passed over the past 3 years has contributed mightily to the economic recovery we are now experiencing. More

than 750,000 jobs have been created in the past 8 months. We have strong economic growth of between 4 and 5 percent, low inflation, and homeownership rates at the highest level ever.

Mr. Speaker, why in the world would we choose to raise taxes on American small businesses just as our economy has turned the corner? Why would we smother the engines of job creation with higher taxes? Yet this is exactly what the Democrat substitute would have us do. Hard-working Americans need relief from the unfair AMT tax, and the majority bill offered by the gentleman from Connecticut (Mr. SIMMONS) will give it to them.

Without passage of the majority bill, an additional 8 million middle income taxpayers will see their Federal taxes rise because of the AMT next year.

□ 1230

We cannot allow this to happen. Let us reject the Democrat substitute and pass the underlying bill. Americans deserve relief from the AMT tax, not new taxes.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Speaker, I came to Washington to work on several issues, one of which is the sales tax deduction. Tennesseans know my record on tax fairness. I have been working with the gentleman from Texas (Mr. BRADY) to put that sales tax deduction issue on the map. I am glad to see that we have got some folks on the other side of the aisle that are coming in here and ready to help us with this debate. Like my mom always said, better late than never.

Unfortunately, true to form, their proposal, the Democrat proposal is a classic political bait and switch. They are talking about supporting a sales tax deduction while they are hiding the fact that their motion to recommit contains a tax increase. Tennesseans are not going to buy that kind of gimmickry. Whenever you make that kind of bargain, the end result is always higher taxes.

Today we are talking about the AMT, the alternative minimum tax. One of my Democrat colleagues said he never hears from constituents about the AMT, that they do not know what it is. He might be right. There are millions of middle-income taxpayers that do not know what is coming, that 11 million of them will be hit with an average tax increase of \$1,520. So let us come back in a year and tell these people they do not know what the AMT is. They are going to know. They will know that they have been walloped with a \$1,500 tax hike if we do not take action right now. They will be angry because people opposed the Republican plan that is supported today.

My friends across the aisle claim that their motion to recommit addresses the tax hike. Where were they when President Clinton raised taxes and failed to adjust the AMT for inflation?

They had their chance to act then, and they failed. People back home need to ask themselves who do they trust on the tax policy; who has been consistently on the side of the taxpayer. It is an easy call. Democrats only talk about tax relief in election years. Republicans talk about tax relief every year.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Hampshire (Mr. BRADLEY).

Mr. BRADLEY of New Hampshire. Mr. Speaker, I would like to salute the leadership of the gentleman from Pennsylvania (Mr. ENGLISH) on this issue.

Mr. Speaker, what we face with the alternative minimum tax is a sleeping giant, a sleeping giant that is starting to wake up and gobble the hard-earned funds of millions of American taxpayers. Today it is 3 million taxpayers; but tomorrow if we do not pass this legislation, it will be 11 million taxpayers. And if we do not have the time necessary to have a longer-term solution for the alternative minimum tax, by the end of the decade it will be 30 million taxpayers, one in three Americans, will fall victim to this tax that was originally designed to catch about 150 very wealthy Americans that did not pay their fair share of taxes.

What we have today, though, with the alternative minimum tax is a situation where middle-income Americans will be paying more than the wealthier Americans because they lose their personal exemptions, they lose the exemption for State and local taxes, and they lose the exemptions for itemized deductions. Most of the benefits of the tax cuts in 2001 and 2003 will be evaporated for these taxpayers; and for anybody that has had to go through the alternative minimum tax, the compliance costs of having to fill out taxes in a dual universe, the normal way and the alternative minimum way, is much higher.

Mr. Speaker, I urge my colleagues to support H.R. 4227 and allow us this year of time to have a long-term solution to fix the alternative minimum tax.

Mr. ENGLISH. Mr. Speaker, I reserve the balance of my time with the right to close.

Mr. McDERMOTT. Mr. Speaker, I yield myself the balance of my time.

One of the problems here in the House on an issue like this is that it is hard to have a real debate because we do not set it up as a debate. We really are having a bunch of 2-minute speeches, and nobody ever gets to answer anybody back and forth. The gentleman from Pennsylvania (Mr. ENGLISH) is an honorable Member and, I think, is just wrong on this issue. I do not bear him any ill will, but one of the interesting things about this is one of the more recent Members who came out here was the gentleman from California (Mr. HERGER). He went on about the fact that the Democratic alternative is going to cost \$17 billion. This is a time

at which the Republican management of the economy has developed the biggest deficits in a very long time. We are going to have to raise the Federal debt limit again. We are going to have to sell more bonds to the Chinese. We are going to have to sell more bonds around the world to keep our economy afloat than ever before.

The gentleman from California's complaint about the gentleman from New York (Mr. RANGEL) is that the gentleman from New York has come in here and said, you know, I think we ought to pay for this bill. We ought to pay for it. The gentleman from Pennsylvania (Mr. ENGLISH) and his colleagues are not interested in paying for it. They just want to throw it on the credit card, another \$17 billion onto their kids and their grandchildren. I just had a grandchild born last August, so for the first time I am really thinking about grandchildren. I used to just think about my kids. But now I am looking two generations down the road. It is no problem for the gentleman from California and the gentleman from Pennsylvania and other Members to say, Hey, throw it to the kids. Let's not pay for it.

You have done that since 1996. The mess we are in is directly related to what you have done. When President Bush took over, we had some kind of surplus, I forget, \$200 billion; and we are now going into the hole at least \$400 billion or \$500 billion every year. When the gentleman from New York comes out here and says I would like to pay for it, he gets criticized. That is called raising taxes. No, it is being fiscally responsible.

The gentleman from New York is no wild-eyed liberal. You think he is, but you have never looked at the proposal he made. He reached over across the hall here into another place and took a provision from the Finance chairman in the United States Senate. The provisions that he put in are offsets that are contained in the provisions of a tax abusive transactions bill from the Senate Finance Committee written by a Senator from over there. I cannot name him. The offsets are not tax increases. They are provisions designed to ensure that corporations cannot use aggressive tax shelter transactions to avoid the taxes they pay.

So the charge that the gentleman from New York is trying to raise taxes is simply misleading, to be very generous. I am sure we will see advertisements going all over, well, you know, the Democrats tried to raise taxes on you another \$17 billion, and we stopped them. They are not going to tell you about what it is going to cost your kids and your grandchildren in terms of interest rates and what is going on in this economy.

The first group of offsets that the other body came up with are designed to curtail tax shelters by clarifying the economic substance doctrine. People back home, I am sure their eyes are crossed by now, but some of you people

ought to be thinking about it. Increased reporting and penalty provisions. The economic substance doctrine is a rule of law that denies artificial losses or other tax benefits from transactions that have no business purpose or profit motive. It is the usual shenanigans of tax attorneys. Even a Republican in the other body thinks that ain't right. But, no, people over here say, oh, no, we can't do that, we can't tighten up. Oh, no, no, no. All those tax attorneys will have to go out there and find another way to take it away from the middle class and give it to the rich. They apply to transactions with no substance other than tax avoidance.

That is what the gentleman from New York's bill does. He says, let's get people to pay their fair share. If we did, we could do this alternative minimum tax. In fact, we could do more. His bill actually says that if you have a combined adjusted gross income of \$250,000, if you are less than that, you do not even have to look at this. That would take millions of people off the rolls. But the Republicans want to leave it so that everybody has to be at \$58,000 and start into this alternative plan.

The IRS says the record-keeping for that is 19 minutes. Then they say it takes an hour and 14 minutes to read the law and understand it. This is the IRS telling the taxpayers: it is going to take you an hour and a quarter to read this law and figure it out. Then it takes an hour and 49 minutes to actually figure it. And then copying and assembling and sending the form takes another 34 minutes. That is where we get the 4 hours.

You are putting a half a day's work on the American public because you will not consider an alternative from the Democrats. You will not have a hearing to find out whether this is a better proposal or not, because all wisdom resides on that side of the aisle. And it is really wonderful to stand in the presence of people who know everything; but the problem, the reason you got into this mess is because you would not listen to anybody else and you are still in the mess because you will not listen to anybody else. The fact is that your own people, a guy from Iowa, my gosh, he is a wild liberal, right? Head of the Senate Finance Committee. He comes up with this, and you think it is no good.

The fact is that this is a big problem that we need to work on together. If there were any bipartisanship at all on the Committee on Ways and Means, we could get something done. But if it is going to be done all by one side, where the ideology is we have to give it all to the people at the top and we cannot worry about what happens to the middle class, then we are going to continue to have these kinds of deals. If, God forbid, you are still in charge next year, you will be out here with a bill just like this with a bigger problem and a bigger cost and more money into the deficit.

The question that really is sitting here today is, when is the Republican

majority going to face up to the hole in the tax structure that you have dug and into which you have thrown all the people? You gave pittances, \$676 average, for the average family and \$112,000 for the people at the top. Do you think there is a millionaire in this country who needs \$112,000? I mean, seriously. How could anybody come out here and support that, given the problems we have in this country right now? Spending \$200 billion on a war that never should have happened in the first place, led into it by a President who stood right here and misled us, and you are throwing money out the door every way we can imagine; and you will not face what you are doing economically.

I really pray, I really do pray that the day never comes when Europe stands up or the Japanese or the Chinese stand up and say, we are not buying any more of that worthless paper from the United States.

The SPEAKER pro tempore (Mr. SIMPSON). The time of the gentleman has expired.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded that remarks in debate in the House may not cite the views of Senators. Sponsorship may be identified, but further characterization is not in order.

Mr. ENGLISH. I presume, Mr. Speaker, that also means that we cannot mischaracterize them.

Mr. Speaker, I yield myself the balance of my time.

This has been a useful debate because I think in an odd way it has highlighted a couple of things. First of all there is a consensus in this Chamber behind the bill that the gentleman from Connecticut (Mr. SIMMONS) has put forward. There will be a substitute offered. I will have ample opportunity and grounds to criticize that substitute when it is offered, but for now I think what needs to be emphasized here is that in the end both parties are committed to at least moving forward on this very limited bill. I wish we were doing more today, but the fact is, this is probably the best we could agree on in the gridlock that exists in the institution right now.

I would like to use some of my time to respond to some of the points that were made by the other side. First of all, let us be clear. This bill is not about the war. It is not really about the deficit in the sense that I think it is fairly clear and I would hope people on both sides could agree that we do not need revenue from this source. We can come up with spending cuts, and we can come up with alternative revenue sources to deal with this.

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We do not need the revenue applied from applying an AMT that was intended to be applied originally only to a very narrow band of very wealthy taxpayers, applying it to the middle class.

Some strange things have been said here and I would like to respond to

them. First of all, this problem was not created by the Republicans. This was created back in 1986 when a tax reform passed when the other body controlled the Chamber, and in all the time that they controlled the Chamber afterward, they did nothing to deal with this problem. In fact, in 1993, they voted to actually increase the burden of the AMT. And we have heard from a number of speakers today who purport to be against the AMT, but actually who voted for that increase.

It has been said by the distinguished gentleman from Washington, my friend, that Republicans do not know what they are doing. I would submit to the Members when this AMT was put in place without any provision for how inflation would move and more taxpayers into AMT status, they knew what they were doing. They wanted the revenue. They wanted to apply a progressively higher tax burden to the American people and use that future revenue in order to justify a higher level of spending and an expansion of the welfare state.

We in this Chamber today are committed to moving forward to making sure that a new heavier tax burden is not applied to taxpayers next year and that next year taxpayers do not face a bait and switch on some of the key provisions that we have passed. That I would submit is really what the Republican Party is all about.

And as for Republican management of the economy, I am proud to associate myself with Republican management of the economy at a time when clearly responsible economists agree the tax policies enacted in this Congress supported by this administration are having the effect of lifting the economy, not as much as I would like right now in my district, but clearly turning around the slowdown that we had experienced that we inherited from the last administration and providing a significant prospect of new jobs and new economic growth and new dynamics that are going to provide opportunities for working families in the coming months. We recognize that we need to do more, and this Congress is clearly committed to doing that. And yet we need to agree at very least today to pass this provision.

I am very proud to support this bill as introduced by the gentleman from Connecticut (Mr. SIMMONS) that provides some relief to middle class taxpayers, to make sure that they have access to the relief that we promised them so that we can continue to grow the economy, that we can continue to create opportunities, that we can continue to provide some relief to families that have children and that are eligible and should be eligible for the tax credit that we have passed in this Chamber.

This is to me a critical issue of tax equity. We need to be prepared to guarantee to middle class families that they do not face a higher burden because of a stab in the back called the AMT, that they are not hit on tax day

with an unexpected tax burden, that they are not required to recalculate their taxes accordingly. We have an opportunity today to strike a real blow for tax equity for the middle class.

With that, I hope we pass this bill.

Mr. HOLT. Mr. Speaker, the Alternative Minimum Tax (AMT) is a terrible burden on middle class taxpayers and the middle class should be excluded from the AMT.

Once again, however, the Republican leadership is using budget gimmicks to hide the real cost of their tax cut and doing nothing to offset it. While the proposed AMT relief bill carries an official cost of \$17 billion, its actual long-term costs are much higher: \$549 billion over ten years, or \$658 billion if the added interest costs on the national debt are taken into account. Indeed, by proposing a one-year "fix" to a perpetual problem, H.R. 4227 purposefully obscures not just the long-term cost of AMT reform. Ignoring these long-term costs irresponsibly undermines our ability to adequately plan for the future. It costs the future generation, as well as the present economy.

More unpaid-for tax cuts will not only jeopardize critical public services now, but they will also hurt Americans well into the future. Massive deficits now create large debt and high interest payments that will crowd out spending on public investments for future generations. Moreover, these deep deficits threaten to increase interest rates in the future—making it harder for Americans to buy homes and afford higher education, and making it harder for business to raise capital.

This is why I support the Democratic alternative to relieve the burden of the AMT on middle class taxpayers. The substitute would provide temporary relief from the AMT that is more broad and simpler than the relief contained in H.R. 4227. The substitute would simply eliminate AMT liability for all taxpayers whose adjusted gross income is less than \$250,000 (\$125,000 for single taxpayers). Above those income levels, AMT liabilities would be phased in over a \$40,000 range (\$20,000 for single individuals).

The substitute would provide a framework for total reform of the AMT. It would require the Secretary of the Treasury to promptly submit legislative recommendations to the Congress, and it would require the Committee on Ways and Means to act on those recommendations this summer. It is time for the Congress to be honest with the American taxpayers and proceed with real AMT reform.

Moreover, the substitute would be revenue neutral. Its cost would be offset by restricting certain tax shelters, which has already passed the Senate on a bipartisan basis. The AMT was designed to ensure that all taxpayers pay a minimum amount of tax and, in effect, limited the ability to use tax loopholes. The substitute would directly address those tax avoidance transactions, thereby minimizing the need for the minimum tax and provide relief for the middle class families of my district.

We cannot continue to pretend that the AMT problem will go away on its own and to make major policy decisions based on the reckless unrealistic assumption that it will. We must work toward a long-term, fully paid-for solution that protects our ability to fund critical national priorities and allows us to make realistic plans for the future.

Mr. KIND. Mr. Speaker, I strongly support providing relief to middle-income Americans

from an encroaching Alternative Minimum Tax (AMT).

Without action this year to extend the current AMT exemption levels passed in 2003, millions of Americans will feel the AMT crunch in 2005. While the AMT was enacted in 1969 to prevent high-income earners from using loopholes in the tax code to avoid paying their fair share, the AMT is increasingly becoming an unfair tax burden on millions of middle-income Americans. Because of factors including inflation and income tax reductions, the complex calculations used by individuals and couples to determine if they must pay any AMT have adjusted and now unfairly punish middle-income families, particularly those with children in high-tax states.

For the third year in a row, the Internal Revenue Service's Taxpayer Advocate Service's Report to Congress lists AMT encroachment as the most serious problem encountered by taxpayers. The AMT now impacts more than 2.4 million Americans. Unless reformed, the AMT will impact 12.4 million in 2005 and more than 30 million Americans in 2010. On top of that, even more taxpayers will be forced to perform intense computations to determine if AMT applies to them.

While the majority of the 2003 tax proposal that passed the House was fiscally irresponsible and designed to benefit only the wealthiest of Americans, its provision providing increased AMT exemptions in 2003 and 2004 had bipartisan agreement. However, while everyone seems to agree that the AMT needs to be reformed, the President's budget for fiscal year 2005 again covered up the full cost of fixing the AMT—estimated by the CBO at over \$500 billion—by proposing another one-year extension. A comprehensive, bipartisan proposal is long overdue to address the problems of the AMT, and it is important that Congress account for this necessary reform in its budget resolutions.

As we reform the AMT to provide relief to middle-income Americans, we need to act in a fiscally responsible manner. It is unfair to Americans today, and especially the next generation, to delude ourselves by thinking the record budget deficits facing our nation, estimated by the White House at over \$500 billion this year alone, will simply go away.

As a member of the House Budget Committee, I supported a budget resolution that allows for extending AMT relief while still reducing the deficit. This approach requires tough choices, prioritization, and a bipartisan commitment to helping working families. With the House-Senate conference committee still negotiating the budget resolution for fiscal year 2005, I remain hopeful that we will be able to provide Americans continued tax relief today without raising the debt burden on our children's generation.

The substitute offered today by Representative NEAL is a more responsible bill that will provide relief to more than 10 million families while not increasing the budget deficit. By closing corporate tax shelters, the Neal substitute provides a responsible offset to benefit more American families without burdening our children with added debt that they will have to pay off. Further the Neal substitute unambiguously and completely exempts married couples with incomes under \$250,000 from the AMT. This is a superior approach, helps more Americans, and ensures most middle income taxpayers will not have to worry about the AMT.

Mr. Chairman, it is important that we act today to ensure average income Americans will not unfairly face the alternative minimum tax in 2005. However, I believe we can and must provide this relief in a fiscally responsible manner that will not burden future generations of Americans. Just as it was true last week when we passed legislation permanently repealing the marriage penalty tax, our work is far from over in helping working families face the challenges of today's economy. We must come together in a bipartisan manner to craft a fiscally responsible budget resolution.

Ms. KILPATRICK. Mr. Speaker, today we are considering H.R. 4227, the Middle-Class Alternative Minimum Tax (AMT) Relief Act. I have considered the merits of the legislation and concluded that the base bill offered by the Republican majority needed to be amended. I voted aye to the Neal-Bishop-Israel substitute, that would have exempted married couples making \$250,000, and singles making \$125,000, from paying the alternative minimum tax. The substitute would have been offset by cracking down on corporate tax shelters and tax avoidance schemes used by corporations like Enron. The current budget deficit has been fueled by unprecedented tax cuts that have erased a surplus in excess of \$200 billion when the Bush administration took office. Given the loss of 2.6 million private-sector jobs over the last three years, I and my fellow Democrats believe tax cuts should not add to the record budget deficits, because ballooning deficits threaten economic growth, raise interest rates, and cost jobs. That is why the Democratic alternative targeted tax cuts—providing more tax relief to the millions of families with children in high-tax states with incomes under \$250,000.

I was also concerned by facts provided by Ways and Means staff that indicated the base bill is expected to reduce federal revenue by approximately \$17 billion to \$18 billion over 10 years, and none of the provisions in the bill were accompanied by any offsets.

The substitute provided the framework for total reform of the AMT. It would have been paid for, and would have provided AMT relief that is broader and simpler than the relief contained in H.R. 4227. The substitute eliminated AMT liability for all taxpayers whose income is less than \$125,000 for single taxpayers and \$250,000 for married couples. Above those income levels, AMT liabilities would be phased in over a \$20,000 range for single taxpayers and a \$40,000 range for married couples. The cost of the substitute was roughly \$19 billion and would have been offset by restrictions on tax shelters that have been supported by House Democrats as offsets in other substitutes that have been approved in the Senate on a bipartisan basis.

I opposed H.R. 4227 because it did not provide a sufficient level of tax relief to my constituents.

Mr. STARK. Mr. Speaker, I rise today to oppose H.R. 4227, the "Middle-Class Alternative Minimum Tax Relief Act of 2004," and in support of the Democratic substitute that provides real relief for middle-class families.

The alternative minimum tax, AMT, was designed to ensure high-income taxpayers did not thwart the system and avoid their share of the tax burden. But once again, the Republicans are on the floor with a tax proposal favoring the wealthy over the middle class, penalizing hard working Americans raising families. We should not mortgage our future with

tax policies that will merely pass on the ever-increasing debt to our children.

Despite its title, the Republicans are offering a bill that does not provide effective AMT relief for lower-income households and those families claiming the dependent care credit. In addition, the irresponsible AMT relief proposed by the Republicans is not paid for with any offsetting revenue increases or spending cuts.

In contrast, the Democratic substitute provides AMT relief to more households than the Republican bill and gives increased relief to low-income households—especially those claiming the dependent care credit. This tax relief for real middle-class families is paid for with new restrictions on corporate tax shelters. The Republicans call this a tax hike, but it is actually the most responsible way to provide effective middle-class tax relief without adding to the national debt.

The Democratic substitute provides AMT relief to 10.2 million households, a full 1 million more than the GOP proposal. Married households below \$250,000 adjusted gross income will be completely excluded from the AMT under the Democratic substitute, while the Republican bill gives big breaks to those over \$250,000 who obviously need tax relief the least—and have already most benefited from the Bush tax cuts.

I urge my colleagues to vote against the inadequate Republican proposal and support the Democratic substitute, which provides AMT relief for American families who need it most.

Ms. DELAURO. Mr. Speaker, the alternative minimum tax, AMT, is a huge and growing burden on a middle class that is already burdened by a tough economy and the loss of 2.6 million private sector jobs. Originally designed to make sure everyone paid their fair share by limiting excessive tax shelters for wealthy families, the AMT has become a tax penalty for families with children who live in high-tax States. By 2010, 30 million Americans will be faced with minimum tax liability, as compared to about 3 million today and 1 million in 1999.

Everyone in this chamber agrees that something must be done to ease this burden on the middle class. And let me make clear—Democrats have a long track record of supporting real tax relief for the middle class. Unfortunately, this bill represents a band-aid approach to what has been deemed by the IRS's National Taxpayer Advocate as the Nation's top tax problem.

Under the Republican bill, 1 million families would still be paying the AMT. A two-income family with four children in a high-tax State would be hit by the alternative minimum tax even if their income is only \$95,000. And their bill would extend AMT relief for just 1 year—meaning taxes on millions of middle class families will go right back up in 2006.

The Congressional Budget Office estimates that a true fix of the AMT would cost \$376 billion over 10 years. But Republicans have refused to step back on their tax cuts for the wealthy, which have created a \$3 trillion deficit, in order to pay for this essential middle class tax relief.

Today Democrats bring to the House floor a true solution to the AMT problem. The Democratic substitute completely exempts married couple families with incomes under \$250,000 from the alternative minimum tax, providing tax relief to more than 10 million families, particularly those with children in high-tax States.

Compared to the Republican bill, it provides more relief to 1 million additional families.

And, the Democratic plan is fully paid for by cracking down on corporate tax shelters. As nearly two-thirds of corporations paid no tax at all in 2000, this is an important step to ensuring that corporations pay their fair share while relieving middle class families from the unfair burden of the alternative minimum tax. The middle class does not benefit by adding to our already ballooning budget deficit and further threatening economic growth.

I urge my colleagues to support true AMT tax relief for middle class families, without adding to the budget deficit, by supporting the Democratic plan.

Mr. FRELINGHUYSEN. Mr. Speaker, today I rise in support of H.R. 4227, which extends through 2005 the higher alternative minimum tax exemption amounts enacted in the Jobs and Growth Tax Relief Reconciliation Act of 2003. This important piece of legislation will prevent a tax increase on middle class families next year.

The fact of the matter is if Congress does not act this year, taxpayers will feel the burden of a significant tax increase.

The alternative minimum tax hits the residents of northern New Jersey the hardest, especially those who are considered middle-class, because it doesn't allow for a deduction of our State's outrageously high property taxes. In 2001 and 2003, Congress took steps to present middle-class families from falling deeper into the AMT trap. The legislation the House has before it today continues in that tradition, ensuring that working families throughout northern New Jersey and the country are not hit with a tax increase in 2005.

Created more than 30 years ago, this out of date tax was meant to prevent high-income taxpayers from using multiple-tax deductions and write-offs to avoid paying income taxes. In 1993, President Clinton increased the AMT and did not index it for inflation. As a result, more and more middle-income taxpayers are now forced to pay the AMT.

As you know, H.R. 4227 extends through 2005 the higher AMT exemption amounts enacted last year (\$58,950 for joint filers and \$40,900 for single taxpayers) and adjusts these amounts for inflation to protect their value.

Without enactment of this legislation, the current exemption amounts will automatically fall in 2005 to \$45,000 for married couples and to \$33,750 for single taxpayers. As a result, the Joint Committee on Taxation reports 11 million taxpayers would be hit with an average tax increase of \$1,520.

I would hardly say by today's standards, a family making \$45,000 is considered "rich."

Mr. Speaker, I recognize that H.R. 4227 is a short term fix to a long term problem which must be addressed. I understand the Committee on Ways and Means is exploring ways to correct this inequity in a more permanent way and I look forward to voting on that legislation.

But for now, I urge my colleagues to build on our ongoing efforts to provide tax relief for all hard working Americans. Let's pass H.R. 4227 today.

Mr. BALLENGER. Mr. Speaker, I am happy to come to the floor today in support of lowering taxes on American families—all American families. The Democrat substitute basically says that it's O.K. to cut taxes on some

American families, but that other American families should have to pay for those tax cuts. Mr. Speaker, that's not tax cut at all.

As everyone in this body knows, the Alternative Minimum Tax was enacted to prevent the wealthiest taxpayers from using loopholes to avoid paying any federal taxes. Today, the AMT doesn't just affect the rich, but hits a substantial portion of middle-income Americans. The 2001 and 2003 tax relief bills increased the AMT exemption to help deal with this problem. However, this needed relief is scheduled to expire at the end of this year. If we do not act today, 11 million middle class taxpayers will experience an average tax increase of \$1,520 next year.

Mr. Speaker, we can't allow the AMT to take away everything Congress and President Bush have done to lower the tax burden on American families. We also shouldn't force some Americans to pay for other American's tax cuts. I urge my colleagues to defeat the Democrat substitute and extend the AMT exemption by voting for the underlying bill, authored by my Republican colleague and friend, Representative ROB SIMMONS.

Mr. ENGLISH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). All time for debate on the bill has expired.

#### AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEAL OF MASSACHUSETTS

Mr. NEAL of Massachusetts. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. Is the gentleman a designee of the gentleman from New York (Mr. RANGEL)?

Mr. NEAL of Massachusetts. Yes, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. NEAL of Massachusetts:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "AMT Reform Act of 2004".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

#### (c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of 1986 Code; table of contents.

Sec. 2. Statement of Congressional findings and purposes.

#### TITLE I—TEMPORARY RELIEF FROM THE ALTERNATIVE MINIMUM TAX; FRAME- WORK FOR REFORM

Sec. 101. Temporary relief from the alternative minimum tax.

Sec. 102. Framework for reform.

#### TITLE II—RESTRICTIONS ON TAX SHELTERS

##### Subtitle A—Provisions Designed To Curtail Tax Shelters

Sec. 201. Clarification of economic substance doctrine.

Sec. 202. Penalty for failing to disclose reportable transaction.

- Sec. 203. Accuracy-related penalty for listed transactions and other reportable transactions having a significant tax avoidance purpose.
- Sec. 204. Penalty for understatements attributable to transactions lacking economic substance, etc.
- Sec. 205. Modifications of substantial understatement penalty for non-reportable transactions.
- Sec. 206. Tax shelter exception to confidentiality privileges relating to taxpayer communications.
- Sec. 207. Disclosure of reportable transactions.
- Sec. 208. Modifications to penalty for failure to register tax shelters.
- Sec. 209. Modification of penalty for failure to maintain lists of investors.
- Sec. 210. Penalty on promoters of tax shelters.
- Sec. 211. Increases in penalties for aiding and abetting understatements.
- Subtitle B—Enron-Related Tax Shelter Provisions
- Sec. 221. Limitation on transfer or importation of built-in losses.
- Sec. 222. No reduction of basis under section 734 in stock held by partnership in corporate partner.
- Sec. 223. Expanded disallowance of deduction for interest on convertible debt.
- Sec. 224. Expanded authority to disallow tax benefits under section 269.
- Sec. 225. Modification of interaction between subpart F and passive foreign investment company rules.

## SEC. 2. STATEMENT OF CONGRESSIONAL FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) The current alternative minimum tax (hereinafter referred to as the "AMT") was enacted in 1986 with the stated purpose of ensuring that individuals with relatively large incomes would pay some minimum amount of Federal income tax, notwithstanding the fact that the individuals could have used otherwise allowable tax preferences to reduce their regular tax to zero.

(2) The AMT, when enacted, affected a very small percentage of individuals. Approximately 0.1 percent of all individuals were subject to the AMT in 1987.

(3) During the 1990's virtually all items that have been traditionally considered to be tax preferences were removed from the AMT.

(4) As a result, virtually all AMT liability now is attributable to 3 items that few people would consider to be tax preferences: the deduction for personal exemptions, the deduction for State and local taxes, and miscellaneous itemized deductions.

(5) In 1993, adjustments to minimum tax rates were made to correspond to adjustments made in regular income tax rates. The 1993 legislation also increased the amount of the AMT exemption.

(6) The percentage of individuals subject to the AMT did not increase as a result of the 1993 changes. The percentage in 1992 was 0.3 percent. It was 0.3 percent in 1994.

(7) The first significant increase in the percentage of individuals paying the AMT occurred by reason of the Taxpayer Relief Act of 1997. Some of the benefits of the capital gains tax reduction provided in the 1997 Act were taken back by the AMT. As a result of the 1997 Act, the percentage of individuals paying the AMT doubled in less than 2 years.

(8) Even after the impact of the 1997 Act, the number of individuals subject to the AMT was extremely small until the enactment of the tax reductions by the Economic Growth and Tax Relief Reconciliation Act of

2001. Less than 1 percent of individuals were subject to the AMT before 2001.

(9) The Economic Growth and Tax Relief Reconciliation Act of 2001 contained reductions in the regular income tax rates but not in the minimum tax rates. As a result, the number of individuals subject to the AMT is projected to skyrocket. In the future—

(A) 92 percent of all households with income between \$100,000 and \$500,000 will be subject to the minimum tax;

(B) 73 percent of households with income between \$75,000 and \$100,000 will be subject to the minimum tax; and

(C) 37 percent of households with income between \$50,000 and \$75,000 will be subject to the minimum tax.-----

(10) The AMT has a substantial marriage penalty that has never been addressed by recent "marriage penalty repeal" legislation. Married couples are 20 times more likely to be on the minimum tax than single individuals.

(11) More than one-half of the promised tax reductions in the recent marriage penalty bill passed by the House of Representatives will be taken back by the AMT.

(12) The AMT disproportionately applies to families with children. Ninety-seven percent of families with children and with incomes between \$75,000 and \$100,000 will be subject to the AMT.

(13) The current AMT means that many of the tax reductions enacted in 2001 and 2003 are essentially temporary regardless of whether Congress makes them permanent by repealing the sunset contained in the 2001 Act. On average, the AMT will take back—

(A) 15.3 percent of the benefits of the recent tax cuts from families with incomes between \$50,000 and \$70,000;

(B) 37.2 percent of the benefits from families with incomes between \$75,000 and \$100,000;

(C) 65 percent of the benefits from families with incomes between \$100,000 and \$200,000; and

(D) 71.8 percent of the benefits from families with incomes between \$200,000 and \$500,000.

(14) Only extremely wealthy taxpayers will retain most of the benefits of the recent tax cuts. Taxpayers making more than \$1,000,000 will find only 8 percent of their tax reductions taken back by the AMT.

(15) The Bush Administration's Fiscal Year 2005 Budget recommends that the recent tax reductions be made permanent. Accomplishing that goal requires a total reform of the AMT.

(b) PURPOSE.—It is the purpose of this Act to—

(1) provide significant temporary relief from the alternative minimum tax; and

(2) to provide a framework for a total reform of the alternative minimum tax.

## TITLE I—TEMPORARY RELIEF FROM THE ALTERNATIVE MINIMUM TAX; FRAMEWORK FOR REFORM

### SEC. 101. TEMPORARY RELIEF FROM THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 55 (relating to alternative minimum tax imposed) is amended by adding at the end the following new subsection:

"(f) EXEMPTION FOR INDIVIDUALS FOR TAXABLE YEARS BEGINNING IN 2005.—For any taxable year beginning in 2005, in the case of an individual—

"(I) IN GENERAL.—The tentative minimum tax of the taxpayer shall be zero if the adjusted gross income of the taxpayer (as determined for purposes of the regular tax) is equal to or less than the threshold amount.

"(2) PHASEIN OF LIABILITY ABOVE EXEMPTION LEVEL.—In the case of a taxpayer whose adjusted gross income exceeds the threshold

amount but does not exceed \$145,000 (\$290,000 in the case of a joint return), the tax imposed by subsection (a) shall be the amount which bears the same ratio to such tax (determined without regard to this subsection) as—

"(A) the excess of—

"(i) the adjusted gross income of the taxpayer (as determined for purposes of the regular tax), over

"(ii) the threshold amount, bears to

"(B) \$20,000 (\$40,000 in the case of a joint return).

"(3) THRESHOLD AMOUNT.—For purposes of this paragraph, the term 'threshold amount' means \$125,000 (\$250,000 in the case of a joint return).

"(4) ESTATES AND TRUSTS.—This subsection shall not apply to any estate or trust."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2004.

### SEC. 102. FRAMEWORK FOR REFORM.

(a) RECOMMENDATIONS BY THE SECRETARY OF THE TREASURY.—Not later than 30 days after the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate detailed legislative recommendations designed to reform the alternative minimum tax. Unless the Secretary determines that it is not feasible, such recommendations shall include changes designed to ensure that the percentage of individuals paying the minimum tax would be reduced to the level in effect before the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (which is less than 1 percent). The Secretary shall include with such recommendations estimates of their revenue cost.

(b) ACTION BY COMMITTEE ON WAYS AND MEANS.—Not later than August 1, 2004, the Committee on Ways and Means of the House of Representatives shall report legislation providing permanent reform of the alternative minimum tax. Such legislation shall be designed so that the percentage of individuals subject to the minimum tax will be restored to the level in effect before the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (which is less than 1 percent).

## TITLE II—RESTRICTIONS ON TAX SHELTERS

### Subtitle A—Provisions Designed To Curtail Tax Shelters

#### SEC. 201. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

"(1) GENERAL RULES.—

"(A) IN GENERAL.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

"(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—A transaction has economic substance only if—

"(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's economic position, and

"(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit

shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

“(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

“(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

“(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

“(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

“(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

“(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

“(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

“(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

“(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

“(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

“(A) ECONOMIC SUBSTANCE DOCTRINE.—The term ‘economic substance doctrine’ means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

“(B) TAX-INDIFFERENT PARTY.—The term ‘tax-indifferent party’ means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

“(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

“(D) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

“(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

“(I) depreciation,

“(II) any tax credit, or

“(III) any other deduction as provided in guidance by the Secretary, and

“(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

“(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

“(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

#### **SEC. 202. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.**

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

#### **“SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE REPORTABLE TRANSACTION INFORMATION WITH RETURN OR STATEMENT.**

“(a) IMPOSITION OF PENALTY.—Any person who fails to include on any return or statement any information with respect to a reportable transaction which is required under section 6011 to be included with such return or statement shall pay a penalty in the amount determined under subsection (b).

“(b) AMOUNT OF PENALTY.—

“(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amount of the penalty under subsection (a) shall be \$50,000.

“(2) LISTED TRANSACTION.—The amount of the penalty under subsection (a) with respect to a listed transaction shall be \$100,000.

“(3) INCREASE IN PENALTY FOR LARGE ENTITIES AND HIGH NET WORTH INDIVIDUALS.—

“(A) IN GENERAL.—In the case of a failure under subsection (a) by—

“(i) a large entity, or

“(ii) a high net worth individual, the penalty under paragraph (1) or (2) shall be twice the amount determined without regard to this paragraph.

“(B) LARGE ENTITY.—For purposes of subparagraph (A), the term ‘large entity’ means, with respect to any taxable year, a person (other than a natural person) with gross receipts in excess of \$10,000,000 for the taxable year in which the reportable transaction occurs or the preceding taxable year. Rules similar to the rules of paragraph (2) and subparagraphs (B), (C), and (D) of paragraph (3) of section 448(c) shall apply for purposes of this subparagraph.

“(C) HIGH NET WORTH INDIVIDUAL.—For purposes of subparagraph (A), the term ‘high net worth individual’ means, with respect to a reportable transaction, a natural person whose net worth exceeds \$2,000,000 immediately before the transaction.

“(c) DEFINITIONS.—For purposes of this section—

“(1) REPORTABLE TRANSACTION.—The term ‘reportable transaction’ means any transaction with respect to which information is required to be included with a return or statement because, as determined under regulations prescribed under section 6011, such transaction is of a type which the Secretary determines as having a potential for tax avoidance or evasion.

“(2) LISTED TRANSACTION.—Except as provided in regulations, the term ‘listed transaction’ means a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011.

“(d) AUTHORITY TO RESCIND PENALTY.—

“(1) IN GENERAL.—The Commissioner of Internal Revenue may rescind all or any portion of any penalty imposed by this section with respect to any violation if—

“(A) the violation is with respect to a reportable transaction other than a listed transaction,

“(B) the person on whom the penalty is imposed has a history of complying with the requirements of this title,

“(C) it is shown that the violation is due to an unintentional mistake of fact;

“(D) imposing the penalty would be against equity and good conscience, and

“(E) rescinding the penalty would promote compliance with the requirements of this title and effective tax administration.

“(2) DISCRETION.—The exercise of authority under paragraph (1) shall be at the sole discretion of the Commissioner and may be delegated only to the head of the Office of Tax Shelter Analysis. The Commissioner, in the Commissioner's sole discretion, may establish a procedure to determine if a penalty should be referred to the Commissioner or the head of such Office for a determination under paragraph (1).

“(3) NO APPEAL.—Notwithstanding any other provision of law, any determination under this subsection may not be reviewed in any administrative or judicial proceeding.

“(4) RECORDS.—If a penalty is rescinded under paragraph (1), the Commissioner shall place in the file in the Office of the Commissioner the opinion of the Commissioner or the head of the Office of Tax Shelter Analysis with respect to the determination, including—

“(A) the facts and circumstances of the transaction,

“(B) the reasons for the rescission, and

“(C) the amount of the penalty rescinded.

“(5) REPORT.—The Commissioner shall each year report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

“(A) a summary of the total number and aggregate amount of penalties imposed, and rescinded, under this section, and

“(B) a description of each penalty rescinded under this subsection and the reasons therefor.

“(e) PENALTY REPORTED TO SEC.—In the case of a person—

“(1) which is required to file periodic reports under section 13 or 15(d) of the Securities Exchange Act of 1934 or is required to be consolidated with another person for purposes of such reports, and

“(2) which—

“(A) is required to pay a penalty under this section with respect to a listed transaction,

“(B) is required to pay a penalty under section 6662A with respect to any reportable transaction at a rate prescribed under section 6662A(c), or

“(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction,

the requirement to pay such penalty shall be disclosed in such reports filed by such person for such periods as the Secretary shall specify. Failure to make a disclosure in accordance with the preceding sentence shall be treated as a failure to which the penalty under subsection (b)(2) applies.

“(f) COORDINATION WITH OTHER PENALTIES.—The penalty imposed by this section is in addition to any penalty imposed under this title.”

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6707 the following:



"Sec. 6707A. Penalty for failure to include reportable transaction information with return or statement."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements the due date for which is after the date of the enactment of this Act.

**SEC. 203. ACCURACY-RELATED PENALTY FOR LISTED TRANSACTIONS AND OTHER REPORTABLE TRANSACTIONS HAVING A SIGNIFICANT TAX AVOIDANCE PURPOSE.**

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662 the following new section:

**"SEC. 6662A. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERSTATEMENTS WITH RESPECT TO REPORTABLE TRANSACTIONS.**

"(a) IMPOSITION OF PENALTY.—If a taxpayer has a reportable transaction understatement for any taxable year, there shall be added to the tax an amount equal to 20 percent of the amount of such understatement.

"(b) REPORTABLE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

"(i) IN GENERAL.—The term 'reportable transaction understatement' means the sum of—

"(A) the product of—

"(i) the amount of the increase (if any) in taxable income which results from a difference between the proper tax treatment of an item to which this section applies and the taxpayer's treatment of such item (as shown on the taxpayer's return of tax), and

"(ii) the highest rate of tax imposed by section 1 (section 11 in the case of a taxpayer which is a corporation), and

"(B) the amount of the decrease (if any) in the aggregate amount of credits determined under subtitle A which results from a difference between the taxpayer's treatment of an item to which this section applies (as shown on the taxpayer's return of tax) and the proper tax treatment of such item.

For purposes of subparagraph (A), any reduction of the excess of deductions allowed for the taxable year over gross income for such year, and any reduction in the amount of capital losses which would (without regard to section 1211) be allowed for such year, shall be treated as an increase in taxable income.

"(2) ITEMS TO WHICH SECTION APPLIES.—This section shall apply to any item which is attributable to—

"(A) any listed transaction, and

"(B) any reportable transaction (other than a listed transaction) if a significant purpose of such transaction is the avoidance or evasion of Federal income tax.

"(c) HIGHER PENALTY FOR NONDISCLOSED LISTED AND OTHER AVOIDANCE TRANSACTIONS.—

"(i) IN GENERAL.—Subsection (a) shall be applied by substituting '30 percent' for '20 percent' with respect to the portion of any reportable transaction understatement with respect to which the requirement of section 6664(d)(2)(A) is not met.

"(2) RULES APPLICABLE TO ASSERTION AND COMPROMISE OF PENALTY.—

"(A) IN GENERAL.—Only upon the approval by the Chief Counsel for the Internal Revenue Service or the Chief Counsel's delegate at the national office of the Internal Revenue Service may a penalty to which paragraph (1) applies be included in a 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals. If such a letter is provided to the taxpayer, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

"(B) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of subparagraph (A).

"(d) DEFINITIONS OF REPORTABLE AND LISTED TRANSACTIONS.—For purposes of this section, the terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).

"(e) SPECIAL RULES.—

"(1) COORDINATION WITH PENALTIES, ETC., ON OTHER UNDERSTATEMENTS.—In the case of an understatement (as defined in section 6662(d)(2))—

"(A) the amount of such understatement (determined without regard to this paragraph) shall be increased by the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements for purposes of determining whether such understatement is a substantial understatement under section 6662(d)(1), and

"(B) the addition to tax under section 6662(a) shall apply only to the excess of the amount of the substantial understatement (if any) after the application of subparagraph (A) over the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements.

"(2) COORDINATION WITH OTHER PENALTIES.—

"(A) APPLICATION OF FRAUD PENALTY.—References to an underpayment in section 6663 shall be treated as including references to a reportable transaction understatement and a noneconomic substance transaction understatement.

"(B) NO DOUBLE PENALTY.—This section shall not apply to any portion of an understatement on which a penalty is imposed under section 6662B or 6663.

"(3) SPECIAL RULE FOR AMENDED RETURNS.—Except as provided in regulations, in no event shall any tax treatment included with an amendment or supplement to a return of tax be taken into account in determining the amount of any reportable transaction understatement or noneconomic substance transaction understatement if the amendment or supplement is filed after the earlier of the date the taxpayer is first contacted by the Secretary regarding the examination of the return or such other date as is specified by the Secretary.

"(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).

"(5) CROSS REFERENCE.—

**"For reporting of section 6662A(c) penalty to the Securities and Exchange Commission, see section 6707A(e)."**

(b) DETERMINATION OF OTHER UNDERSTATEMENTS.—Subparagraph (A) of section 6662(d)(2) is amended by adding at the end the following flush sentence:

"The excess under the preceding sentence shall be determined without regard to items to which section 6662A applies and without regard to items with respect to which a penalty is imposed by section 6662B."

(c) REASONABLE CAUSE EXCEPTION.—

(i) IN GENERAL.—Section 6664 is amended by adding at the end the following new subsection:

"(d) REASONABLE CAUSE EXCEPTION FOR REPORTABLE TRANSACTION UNDERSTATEMENTS.—

"(i) IN GENERAL.—No penalty shall be imposed under section 6662A with respect to any portion of a reportable transaction understatement if it is shown that there was a reasonable cause for such portion and that the taxpayer acted in good faith with respect to such portion.

"(2) SPECIAL RULES.—Paragraph (1) shall not apply to any reportable transaction understatement unless—

"(A) the relevant facts affecting the tax treatment of the item are adequately disclosed in accordance with the regulations prescribed under section 6011,

"(B) there is or was substantial authority for such treatment, and

"(C) the taxpayer reasonably believed that such treatment was more likely than not the proper treatment.

A taxpayer failing to adequately disclose in accordance with section 6011 shall be treated as meeting the requirements of subparagraph (A) if the penalty for such failure was rescinded under section 6707A(d).

"(3) RULES RELATING TO REASONABLE BELIEF.—For purposes of paragraph (2)(C)—

"(A) IN GENERAL.—A taxpayer shall be treated as having a reasonable belief with respect to the tax treatment of an item only if such belief—

"(i) is based on the facts and law that exist at the time the return of tax which includes such tax treatment is filed, and

"(ii) relates solely to the taxpayer's chances of success on the merits of such treatment and does not take into account the possibility that a return will not be audited, such treatment will not be raised on audit, or such treatment will be resolved through settlement if it is raised.

"(B) CERTAIN OPINIONS MAY NOT BE RELIED UPON.—

"(i) IN GENERAL.—An opinion of a tax advisor may not be relied upon to establish the reasonable belief of a taxpayer if—

"(i) the tax advisor is described in clause (ii), or

"(ii) the opinion is described in clause (iii).

"(ii) DISQUALIFIED TAX ADVISORS.—A tax advisor is described in this clause if the tax advisor—

"(i) is a material advisor (within the meaning of section 6111(b)(1)) who participates in the organization, management, promotion, or sale of the transaction or who is related (within the meaning of section 267(b) or 707(b)(1)) to any person who so participates, or

"(ii) is compensated directly or indirectly by a material advisor with respect to the transaction,

"(iii) has a fee arrangement with respect to the transaction which is contingent on all or part of the intended tax benefits from the transaction being sustained,

"(iv) has an arrangement with respect to the transaction which provides that contractual disputes between the taxpayer and the advisor are to be settled by arbitration or which limits damages by reference to fees paid to the advisor for such transaction, or

"(v) as determined under regulations prescribed by the Secretary, has a disqualifying financial interest with respect to the transaction.

"(iii) DISQUALIFIED OPINIONS.—For purposes of clause (i), an opinion is disqualified if the opinion—

"(i) is based on unreasonable factual or legal assumptions (including assumptions as to future events),

"(ii) unreasonably relies on representations, statements, findings, or agreements of the taxpayer or any other person,

"(iii) does not identify and consider all relevant facts,

"(iv) is not signed by all individuals who are principal authors of the opinion, or

"(v) fails to meet any other requirement as the Secretary may prescribe."

(2) CONFORMING AMENDMENT.—The heading for subsection (c) of section 6664 is amended by inserting "FOR UNDERPAYMENTS" after "EXCEPTION".

(d) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 461(i)(3) is amended by striking "section 6662(d)(2)(C)(iii)" and inserting "section 1274(b)(3)(C)".

(2) Paragraph (3) of section 1274(b) is amended—

(A) by striking "(as defined in section 6662(d)(2)(C)(iii))" in subparagraph (B)(i), and

(B) by adding at the end the following new subparagraph:

"(C) TAX SHELTER.—For purposes of subparagraph (B), the term 'tax shelter' means—

"(i) a partnership or other entity,

"(ii) any investment plan or arrangement,

or

"(iii) any other plan or arrangement,

if a significant purpose of such partnership, entity, plan, or arrangement is the avoidance or evasion of Federal income tax."

(3) Section 6662(d)(2) is amended by striking subparagraphs (C) and (D).

(4) Section 6664(c)(1) is amended by striking "this part" and inserting "section 6662 or 6663".

(5) Subsection (b) of section 7525 is amended by striking "section 6662(d)(2)(C)(iii)" and inserting "section 1274(b)(3)(C)".

(6)(A) The heading for section 6662 is amended to read as follows:

**"SEC. 6662. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERPAYMENTS."**

(B) The table of sections for part II of subchapter A of chapter 68 is amended by striking the item relating to section 6662 and inserting the following new items:

"Sec. 6662. Imposition of accuracy-related penalty on underpayments.

"Sec. 6662A. Imposition of accuracy-related penalty on understatements with respect to reportable transactions."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

**SEC. 204. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.**

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

**"SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.**

"(a) IMPOSITION OF PENALTY.—If a taxpayer has a noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

"(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

"(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

"(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

"(A) there is a lack of economic substance (within the meaning of section 7701(n)(1)) for

the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(n)(2), or

"(B) the transaction fails to meet the requirements of any similar rule of law.

"(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

"(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

"(2) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of paragraph (1).

"(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

"(f) CROSS REFERENCES.—

**"(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e).**

**"(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e).".**

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

"Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

**SEC. 205. MODIFICATIONS OF SUBSTANTIAL UNDERSTATEMENT PENALTY FOR NON-REPORTABLE TRANSACTIONS.**

(a) SUBSTANTIAL UNDERSTATEMENT OF CORPORATIONS.—Section 6662(d)(1)(B) (relating to special rule for corporations) is amended to read as follows:

"(B) SPECIAL RULE FOR CORPORATIONS.—In the case of a corporation other than an S corporation or a personal holding company (as defined in section 542), there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

"(i) 10 percent of the tax required to be shown on the return for the taxable year (or, if greater, \$10,000), or

"(ii) \$10,000,000."

(b) REDUCTION FOR UNDERSTATEMENT OF TAXPAYER DUE TO POSITION OF TAXPAYER OR DISCLOSED ITEM.—

(1) IN GENERAL.—Section 6662(d)(2)(B)(i) (relating to substantial authority) is amended to read as follows:

"(i) the tax treatment of any item by the taxpayer if the taxpayer had reasonable belief that the tax treatment was more likely than not the proper treatment, or"

(2) CONFORMING AMENDMENT.—Section 6662(d) is amended by adding at the end the following new paragraph:

"(3) SECRETARIAL LIST.—For purposes of this subsection, section 6664(d)(2), and section 6694(a)(1), the Secretary may prescribe a list of positions for which the Secretary believes there is not substantial authority or there is no reasonable belief that the tax treatment is more likely than not the proper tax treatment. Such list (and any revisions thereof) shall be published in the Federal Register or the Internal Revenue Bulletin."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

**SEC. 206. TAX SHELTER EXCEPTION TO CONFIDENTIALITY PRIVILEGES RELATING TO TAXPAYER COMMUNICATIONS.**

(a) IN GENERAL.—Section 7525(b) (relating to section not to apply to communications regarding corporate tax shelters) is amended to read as follows:

"(b) SECTION NOT TO APPLY TO COMMUNICATIONS REGARDING TAX SHELTERS.—The privilege under subsection (a) shall not apply to any written communication which is—

"(1) between a federally authorized tax practitioner and—

"(A) any person,

"(B) any director, officer, employee, agent, or representative of the person, or

"(C) any other person holding a capital or profits interest in the person, and

"(2) in connection with the promotion of the direct or indirect participation of the person in any tax shelter (as defined in section 1274(b)(3)(C))."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to communications made on or after the date of the enactment of this Act.

**SEC. 207. DISCLOSURE OF REPORTABLE TRANSACTIONS.**

(a) IN GENERAL.—Section 6111 (relating to registration of tax shelters) is amended to read as follows:

**"SEC. 6111. DISCLOSURE OF REPORTABLE TRANSACTIONS.**

"(a) IN GENERAL.—Each material advisor with respect to any reportable transaction shall make a return (in such form as the Secretary may prescribe) setting forth—

"(1) information identifying and describing the transaction,

"(2) information describing any potential tax benefits expected to result from the transaction, and

"(3) such other information as the Secretary may prescribe.

Such return shall be filed not later than the date specified by the Secretary.

"(b) DEFINITIONS.—For purposes of this section—

"(1) MATERIAL ADVISOR.—

"(A) IN GENERAL.—The term 'material advisor' means any person—

"(i) who provides any material aid, assistance, or advice with respect to organizing, managing, promoting, selling, implementing, or carrying out any reportable transaction, and

"(ii) who directly or indirectly derives gross income in excess of the threshold amount for such aid, assistance, or advice.

"(B) THRESHOLD AMOUNT.—For purposes of subparagraph (A), the threshold amount is—

"(i) \$50,000 in the case of a reportable transaction substantially all of the tax benefits from which are provided to natural persons, and

"(ii) \$250,000 in any other case.

"(2) REPORTABLE TRANSACTION.—The term 'reportable transaction' has the meaning given to such term by section 6707A(c).

"(c) REGULATIONS.—The Secretary may prescribe regulations which provide—

"(1) that only 1 person shall be required to meet the requirements of subsection (a) in cases in which 2 or more persons would otherwise be required to meet such requirements,

"(2) exemptions from the requirements of this section, and

"(3) such rules as may be necessary or appropriate to carry out the purposes of this section."

(b) CONFORMING AMENDMENTS.—

(1) The item relating to section 6111 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6111. Disclosure of reportable transactions."

(2)(A) So much of section 6112 as precedes subsection (c) thereof is amended to read as follows:

**"SEC. 6112. MATERIAL ADVISORS OF REPORTABLE TRANSACTIONS MUST KEEP LISTS OF ADVISEES.**

"(a) IN GENERAL.—Each material advisor (as defined in section 6111) with respect to any reportable transaction (as defined in section 6707A(c)) shall maintain, in such manner as the Secretary may by regulations prescribe, a list—

"(1) identifying each person with respect to whom such advisor acted as such a material advisor with respect to such transaction, and

"(2) containing such other information as the Secretary may by regulations require. This section shall apply without regard to whether a material advisor is required to file a return under section 6111 with respect to such transaction."

(B) Section 6112 is amended by redesignating subsection (c) as subsection (b).

(C) Section 6112(b), as redesignated by subparagraph (B), is amended—

(i) by inserting "written" before "request" in paragraph (1)(A), and

(ii) by striking "shall prescribe" in paragraph (2) and inserting "may prescribe".

(D) The item relating to section 6112 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6112. Material advisors of reportable transactions must keep lists of advisees."

(3)(A) The heading for section 6708 is amended to read as follows:

**"SEC. 6708. FAILURE TO MAINTAIN LISTS OF ADVISEES WITH RESPECT TO REPORTABLE TRANSACTIONS."**

(B) The item relating to section 6708 in the table of sections for part I of subchapter B of chapter 68 is amended to read as follows:

"Sec. 6708. Failure to maintain lists of advisees with respect to reportable transactions."

(c) REQUIRED DISCLOSURE NOT SUBJECT TO CLAIM OF CONFIDENTIALITY.—Subparagraph (A) of section 6112(b)(1), as redesignated by subsection (b)(2)(B), is amended by adding at the end the following new flush sentence:

"For purposes of this section, the identity of any person on such list shall not be privileged."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions with respect to which material aid, assistance, or advice referred to in section 6111(b)(1)(A)(i) of the Internal Revenue Code of 1986 (as added by this section) is provided after the date of the enactment of this Act.

**SEC. 208. MODIFICATIONS TO PENALTY FOR FAILURE TO REGISTER TAX SHELTERS.**

(a) IN GENERAL.—Section 6707 (relating to failure to furnish information regarding tax shelters) is amended to read as follows:

**"SEC. 6707. FAILURE TO FURNISH INFORMATION REGARDING REPORTABLE TRANSACTIONS.**

"(a) IN GENERAL.—If a person who is required to file a return under section 6111(a) with respect to any reportable transaction—

"(1) fails to file such return on or before the date prescribed therefor, or

"(2) files false or incomplete information with the Secretary with respect to such transaction,

such person shall pay a penalty with respect to such return in the amount determined under subsection (b).

"(b) AMOUNT OF PENALTY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the penalty imposed under subsection (a) with respect to any failure shall be \$50,000.

"(2) LISTED TRANSACTIONS.—The penalty imposed under subsection (a) with respect to

any listed transaction shall be an amount equal to the greater of—

"(A) \$200,000, or

"(B) 50 percent of the gross income derived by such person with respect to aid, assistance, or advice which is provided with respect to the listed transaction before the date the return including the transaction is filed under section 6111.

Subparagraph (B) shall be applied by substituting '75 percent' for '50 percent' in the case of an intentional failure or act described in subsection (a).

"(c) CERTAIN RULES TO APPLY.—The provisions of section 6707A(d) shall apply to any penalty imposed under this section.

"(d) REPORTABLE AND LISTED TRANSACTIONS.—The terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c)."

(b) CLERICAL AMENDMENT.—The item relating to section 6707 in the table of sections for part I of subchapter B of chapter 68 is amended by striking "tax shelters" and inserting "reportable transactions".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due date for which is after the date of the enactment of this Act.

**SEC. 209. MODIFICATION OF PENALTY FOR FAILURE TO MAINTAIN LISTS OF INVESTORS.**

(a) IN GENERAL.—Subsection (a) of section 6708 is amended to read as follows:

"(a) IMPOSITION OF PENALTY.—

"(1) IN GENERAL.—If any person who is required to maintain a list under section 6112(a) fails to make such list available upon written request to the Secretary in accordance with section 6112(b)(1)(A) within 20 business days after the date of the Secretary's request, such person shall pay a penalty of \$10,000 for each day of such failure after such 20th day.

"(2) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by paragraph (1) with respect to the failure on any day if such failure is due to reasonable cause."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests made after the date of the enactment of this Act.

**SEC. 210. PENALTY ON PROMOTERS OF TAX SHELTERS.**

(a) PENALTY ON PROMOTING ABUSIVE TAX SHELTERS.—Section 6700(a) is amended by adding at the end the following new sentence: "Notwithstanding the first sentence, if an activity with respect to which a penalty imposed under this subsection involves a statement described in paragraph (2)(A), the amount of the penalty shall be equal to 50 percent of the gross income derived (or to be derived) from such activity by the person on which the penalty is imposed."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to activities after the date of the enactment of this Act.

**SEC. 211. INCREASES IN PENALTIES FOR AIDING AND ABETTING UNDERSTATEMENTS.**

(a) IN GENERAL.—Section 6701(b) is amended to read as follows:

"(b) AMOUNT OF PENALTY.—

"(1) IN GENERAL.—The amount of the penalty imposed by subsection (a) shall be the greater of—

"(A) \$2,000, or

"(B) 50 percent of the gross income derived (or to be derived) from the activity giving rise to the penalty.

"(2) CORPORATIONS.—If the return, affidavit, claim, or other document relates to the tax liability of a corporation, paragraph (1)(A) shall be applied by substituting '\$20,000' for '\$2,000'."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to activities after the date of the enactment of this Act.

**Subtitle B—Enron-Related Tax Shelter Provisions**

**SEC. 221. LIMITATION ON TRANSFER OR IMPORTATION OF BUILT-IN LOSSES.**

(a) IN GENERAL.—Section 362 (relating to basis to corporations) is amended by adding at the end the following new subsection:

"(e) LIMITATIONS ON BUILT-IN LOSSES.—

"(1) LIMITATION ON IMPORTATION OF BUILT-IN LOSSES.—

"(A) IN GENERAL.—If in any transaction described in subsection (a) or (b) there would (but for this subsection) be an importation of a net built-in loss, the basis of each property described in subparagraph (B) which is acquired in such transaction shall (notwithstanding subsections (a) and (b)) be its fair market value immediately after such transaction.

"(B) PROPERTY DESCRIBED.—For purposes of subparagraph (A), property is described in this subparagraph if—

"(i) gain or loss with respect to such property is not subject to tax under this subtitle in the hands of the transferor immediately before the transfer, and

"(ii) gain or loss with respect to such property is subject to such tax in the hands of the transferee immediately after such transfer.

In any case in which the transferor is a partnership, the preceding sentence shall be applied by treating each partner in such partnership as holding such partner's proportionate share of the property of such partnership.

"(C) IMPORTATION OF NET BUILT-IN LOSS.—For purposes of subparagraph (A), there is an importation of a net built-in loss in a transaction if the transferee's aggregate adjusted bases of property described in subparagraph (B) which is transferred in such transaction would (but for this paragraph) exceed the fair market value of such property immediately after such transaction.

"(2) LIMITATION ON TRANSFER OF BUILT-IN LOSSES IN SECTION 351 TRANSACTIONS.—

"(A) IN GENERAL.—If—

"(i) property is transferred by a transferor in any transaction which is described in subsection (a) and which is not described in paragraph (1) of this subsection, and

"(ii) the transferee's aggregate adjusted bases of such property so transferred would (but for this paragraph) exceed the fair market value of such property immediately after such transaction,

then, notwithstanding subsection (a), the transferee's aggregate adjusted bases of the property so transferred shall not exceed the fair market value of such property immediately after such transaction.

"(B) ALLOCATION OF BASIS REDUCTION.—The aggregate reduction in basis by reason of subparagraph (A) shall be allocated among the property so transferred in proportion to their respective built-in losses immediately before the transaction.

"(C) EXCEPTION FOR TRANSFERS WITHIN AFFILIATED GROUP.—Subparagraph (A) shall not apply to any transaction if the transferor owns stock in the transferee meeting the requirements of section 1504(a)(2). In the case of property to which subparagraph (A) does not apply by reason of the preceding sentence, the transferor's basis in the stock received for such property shall not exceed its fair market value immediately after the transfer."

(b) COMPARABLE TREATMENT WHERE LIQUIDATION.—Paragraph (1) of section 334(b) (relating to liquidation of subsidiary) is amended to read as follows:

"(1) IN GENERAL.—If property is received by a corporate distributee in a distribution in a complete liquidation to which section 332 applies (or in a transfer described in section

337(b)(1)), the basis of such property in the hands of such distributee shall be the same as it would be in the hands of the transferor; except that the basis of such property in the hands of such distributee shall be the fair market value of the property at the time of the distribution—

“(A) in any case in which gain or loss is recognized by the liquidating corporation with respect to such property, or

“(B) in any case in which the liquidating corporation is a foreign corporation, the corporate distributee is a domestic corporation, and the corporate distributee's aggregate adjusted bases of property described in section 362(e)(1)(B) which is distributed in such liquidation would (but for this subparagraph) exceed the fair market value of such property immediately after such liquidation.”.

(C) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to transactions after the date of the enactment of this Act.

(2) LIQUIDATIONS.—The amendment made by subsection (b) shall apply to liquidations after the date of the enactment of this Act.

**SEC. 222. NO REDUCTION OF BASIS UNDER SECTION 734 IN STOCK HELD BY PARTNERSHIP IN CORPORATE PARTNER.**

(a) IN GENERAL.—Section 755 is amended by adding at the end the following new subsection:

“(c) NO ALLOCATION OF BASIS DECREASE TO STOCK OF CORPORATE PARTNER.—In making an allocation under subsection (a) of any decrease in the adjusted basis of partnership property under section 734(b)—

“(1) no allocation may be made to stock in a corporation (or any person which is related (within the meaning of section 267(b) or 707(b)(1)) to such corporation) which is a partner in the partnership, and

“(2) any amount not allocable to stock by reason of paragraph (1) shall be allocated under subsection (a) to other partnership property in such manner as the Secretary may prescribe. Gain shall be recognized to the partnership to the extent that the amount required to be allocated under paragraph (2) to other partnership property exceeds the aggregate adjusted basis of such other property immediately before the allocation required by paragraph (2).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions after the date of the enactment of this Act.

**SEC. 223. EXPANDED DISALLOWANCE OF DEDUCTION FOR INTEREST ON CONVERTIBLE DEBT.**

(a) IN GENERAL.—Paragraph (2) of section 163(l) is amended by inserting “or equity held by the issuer (or any related party) in any other person” after “or a related party”.

(b) CAPITALIZATION ALLOWED WITH RESPECT TO EQUITY OF PERSONS OTHER THAN ISSUER AND RELATED PARTIES.—Section 163(l) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

“(4) CAPITALIZATION ALLOWED WITH RESPECT TO EQUITY OF PERSONS OTHER THAN ISSUER AND RELATED PARTIES.—If the disqualified debt instrument of a corporation is payable in equity held by the issuer (or any related party) in any other person (other than a related party), the basis of such equity shall be increased by the amount not allowed as a deduction by reason of paragraph (1) with respect to the instrument.”.

(c) EXCEPTION FOR CERTAIN INSTRUMENTS ISSUED BY DEALERS IN SECURITIES.—Section 163(l), as amended by subsection (b), is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7) and by inserting after paragraph (4) the following new paragraph:

“(5) EXCEPTION FOR CERTAIN INSTRUMENTS ISSUED BY DEALERS IN SECURITIES.—For purposes of this subsection, the term ‘disqualified debt instrument’ does not include indebtedness issued by a dealer in securities (or a related party) which is payable in, or by reference to, equity (other than equity of the issuer or a related party) held by such dealer in its capacity as a dealer in securities. For purposes of this paragraph, the term ‘dealer in securities’ has the meaning given such term by section 475.”.

(c) CONFORMING AMENDMENTS.—Paragraph (3) of section 163(l) is amended—

(1) by striking “or a related party” in the material preceding subparagraph (A) and inserting “or any other person”, and

(2) by striking “or interest” each place it appears.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued after the date of the enactment of this Act.

**SEC. 224. EXPANDED AUTHORITY TO DISALLOW TAX BENEFITS UNDER SECTION 269.**

(a) IN GENERAL.—Subsection (a) of section 269 (relating to acquisitions made to evade or avoid income tax) is amended to read as follows:

“(a) IN GENERAL.—If—

“(1)(A) any person or persons acquire, directly or indirectly, control of a corporation, or

“(B) any corporation acquires, directly or indirectly, property of another corporation and the basis of such property, in the hands of the acquiring corporation, is determined by reference to the basis in the hands of the transferor corporation, and

“(2) the principal purpose for which such acquisition was made is evasion or avoidance of Federal income tax, then the Secretary may disallow such deduction, credit, or other allowance. For purposes of paragraph (1)(A), control means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the total value of all shares of all classes of stock of the corporation.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to stock and property acquired after the date of the enactment of this Act.

**SEC. 225. MODIFICATION OF INTERACTION BETWEEN SUBPART F AND PASSIVE FOREIGN INVESTMENT COMPANY RULES.**

(a) LIMITATION ON EXCEPTION FROM PFIC RULES FOR UNITED STATES SHAREHOLDERS OF CONTROLLED FOREIGN CORPORATIONS.—Paragraph (2) of section 1297(e) (relating to passive foreign investment company) is amended by adding at the end the following flush sentence:

“Such term shall not include any period if the earning of subpart F income by such corporation during such period would result in only a remote likelihood of an inclusion in gross income under section 951(a)(1)(A)(i).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

Amend the title so as to read: “A bill to provide for significant temporary relief from the alternative minimum tax and for a framework for a total reform of the alternative minimum tax.”.

The SPEAKER pro tempore. Pursuant to House Resolution 619, the gentleman from Massachusetts (Mr. NEAL) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Pennsylvania (Mr. ENGLISH) is a good friend of mine. He is a member of the Committee on Ways and Means, and he really is a very decent guy, but he is really wrong in what he said earlier. To suggest that these tax cuts and this mania that we have witnessed now for tax cuts for the last 3 years has not had a substantial impact on the size of Federal deficit is to really put our heads in the sand. Let me remind Members of this House we are now fighting two wars with three tax cuts, and the mathematics are there for everybody to see.

An announcement this morning by Secretary Rumsfeld that 135,000 troops now are going to stay in Iraq for an extended tour of duty, well into the year 2005, and let us be honest with the American people, they are there for 2006 and 2007 and maybe through 2010. That is the reality that we confront. We are going to a \$500 billion deficit this year after coming out of the Clinton years when we not only balanced the budget but projected surpluses for years to come.

I want to remind “all is well” that this proposal from the gentleman from Connecticut today has never even been vetted in the Committee on Ways and Means. Maybe I am mistaken, but I believe after having served in that committee for 12 years that the Committee on Ways and Means has a responsibility for tax revenue issues. So this is being brought to us by an individual who is not on the committee and indeed it has not been aired in the committee. There has been no public hearing on the proposal that we are going to vote on in an hour. So we find ourselves having this debate about alternative minimum tax.

And I want to say something. I think my hands are clean on this issue. I have heard them say that the Democrats put this in place in the reform of the Tax Act of 1986. That may well be the case, but let me tell the Members something. I am in favor of repealing it. I think there ought to be some intellectual honesty as it relates to AMT. It has outlived its usefulness. It has outlived its purpose, and now middle-income taxpayers are now being asked to carry its burden.

We have a game of kind of hocus-focus here. The Republicans stand up and say, well, we are going to give AMT relief. They are not giving AMT to the number of people they could and should be giving AMT relief to, largely because it does not square with the tax cuts that the administration has proposed, and once again Republicans in this House go along with very few questions asked about any issue. The administration says it is so, they just go along with it, no questions asked, even if the evidence a few weeks, months,

years later turns a contrary conclusion.

Let me speak specifically, if I can, to this issue as it relates to this debate today. The alternative minimum tax was originally designed to make sure that everyone paid their fair share. Who among us can argue with that? The second notion of the proposal that we have offered today is that we want to grant some relief to the burden that the Republican Party has put on middle-income tax earners. If they, in fact, take advantage of certain credits in the Tax Code and they have a lot of children, they are penalized by their proposal. Do the Members know why? It is very simple, because the philosophy of the majority in of this body is that the only people in America that ought to have tax relief are the wealthy.

And to the credit of the wealthy 3 years ago, they were not even asking for tax relief. They wanted to pay down the debt, and public opinion polling concludes, once again, they still think that paying down the deficits are a far better use of taxpayer money than giving tax relief to even those who might benefit most from it.

They promised that they were going to do something about tax reform as it relates to AMT. But what they did not tell them was that they are going to give them tax relief on one hand and then if they sit down to do their tax forms, they are going to take it away from them if they have four or five children. If people desire to use the HOPE credit, they are going to take it away from them. If they try to take advantage of the child credit, they are going to take it away from them. So they give it to them on one hand and they take it back on the other. So in the end, there really is no tax relief as it relates to alternative minimum tax.

I want the Members to listen to this. Half, half of the promised benefits that we voted on last week under the marriage penalty bill, we were told we were going to provide relief to those folks as well, they are taken back to the Treasury by alternative minimum tax.

I have offered time and again, Mr. Speaker, a couple of very easy proposals in this body. Let us get rid of AMT. Let us scale back the size of the tax cuts the administration offered. Let us pay down the deficit. Let us pay for these two wars. Let us fix Social Security. Let us fix Medicare, as American people clearly desire. And let us give tax relief to middle-income Americans, particularly from alternative minimum tax.

I hope in the next few minutes as we engage this debate, we will have a chance to put the magnifying glass on the proposal that is before us today. And I have got to tell the Members, as a member of the oldest committee in this House, a committee that I believe is so desirable to sit on, a committee whose history is so profound as it relates to this Republic, they did not even have enough regard for the Com-

mittee on Ways and Means to hold a hearing on this proposal in the committee. This is the introduction to their proposal today on the House floor. Nobody has seen it until about an hour and a half ago.

So let us engage this debate. Let us have an opportunity to draw some attention to what it is that they are saying but, most importantly, to what it is that they are doing.

Mr. Speaker, I reserve the balance of my time.

Mr. ENGLISH. Mr. Speaker, I rise to claim the time in opposition to the amendment in the nature of a substitute.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 30 minutes.

Mr. ENGLISH. Mr. Speaker, I yield myself such time as I may consume.

This has been a fascinating debate today, and I particularly want to congratulate the gentleman for his contribution. The gentleman from Massachusetts, as with his customary eloquence, has laid out his position, and in the process perhaps subconsciously has drawn a striking contrast between the two parties and perhaps one that he had not intended. He characterizes, first of all, Republican tax relief as maniacal. I think that is an interesting choice of words, but as I look at it, it perhaps I think accurately captures the view on the other side of tax relief and a tax program that is already lifting the economy, that is creating jobs, that is creating opportunities throughout America, including for a lot of people who were not directly the beneficiary of as much tax relief as we would have liked.

Let me say in addition to that, there has been the procedural argument made here that this proposal before us today has not been adequately vetted. Mr. Speaker, to be very clear, this language is similar to what has been included in the tax bill that passed. This kind of language has been many times before the body. We have thoroughly debated within the Committee on Ways and Means the issue of the alternative minimum tax, and it is not clear that additional hearings would have provided a substantive additional agenda.

I am delighted to hear the gentleman come out in favor of full repeal because, as I said to the gentleman from New York earlier in our discussion, I invite the gentleman to join with me and other members of the zero AMT caucus to come together and to work through a proposal to get rid of this AMT.

The substitute that we have now risen to debate, though, was not I think adequately discussed in the gentleman's remarks, and perhaps there is where the contrast is clearest. Because in an effort to, as they put it, pay for the AMT relief that is included in the bill, what they have proposed doing is permanently putting in place an increase of corporate taxes in order to pay for 1-year relief to the individual

AMT. That sounds like good politics, but at a time when our economy is struggling, at a time when even people on the other side of the aisle have conceded that corporate tax rates in our country and on our companies and workers are higher than those globally and are a clear competitive disadvantage to our companies who are seeking to keep jobs here in the United States, that the idea of permanently raising corporate taxes is one that I think is striking and I think uniquely ill conceived.

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What they have proposed doing is generating revenue through the permanent implementation of something called the economic substance doctrine. Economic substance is a doctrine that our courts apply on a discretionary basis to situations which erode our rules-based tax system.

The substitute attempts to codify this judicial doctrine and expand its definition so the IRS can pick apart any ordinary business transaction and subjectively look for reasonable business purposes. The result is a new requirement for taxpayers to have yet another layer of IRS intervention and be burdened with restrictions in ways that the courts have not even considered. I realize that there are some who have embraced this on the Senate side, but no one on our side of the aisle here in the House of Representatives so far has done so. The result would be a new requirement for taxpayers and another layer of IRS intervention.

The proposal would then propose strict liability penalties on understatement of tax, which would not be limited to abusive transactions. The proposal, in our view, is far too broad and significantly expands common-law doctrines.

There is also no indication that the doctrine would be limited to abusive transactions. While we are currently debating a 1-year extension of tax relief for working families, let me make this clear again: this substitute levies a permanent tax increase on employers and ultimately on the labor of the workers that they employ.

The gentleman from New York (Mr. RANGEL) has himself indicated support for lower corporate tax rates for our manufacturers in his own bill to replace the FSC/ETI regime. Here his proxy is insisting on raising their taxes by \$15 billion.

In addition to a \$15 billion tax increase, companies would now have to spend valuable time and resources managing the implications of the law, when they could be using these resources to expand their operations, invest in production lines, and create jobs. Instead, what this proposal effectively does is create jobs only in the legal profession.

Mr. Speaker, the House has voted repeatedly against this tax increase because it is bad tax policy, bad economic policy, and it further hinders

American competitiveness and does so permanently. I think it is fairly clear that what is being attempted here in this substitute is to take something that we really need to do, addressing the problem of the AMT, and attach to it something off of a wish-list from the left, which, frankly, has no place here at a time when we are trying to buoy the economy.

I think it is worth noting that the last time someone really aggressively proposed to raise taxes during a slowdown was Mr. Hoover, so there may even be some Republican genealogy in the proposal we are seeing offered on the other side. But the Republicans of today do not recognize this as a positive thing.

Let me summarize the bill of particulars against the Rangel substitute and specifically the economic substance doctrine.

First of all, it is a permanent tax increase. Although the AMT relief in the Democratic substitute is temporary, the tax increases are permanent.

In addition, the administration strongly opposes codification of the economic substance doctrine. They have looked at it, and they have found it wanting. Acting Treasury Assistant Secretary for Tax Policy, Gregory Jenner, has stated that codifying the economic substance doctrine could be counterproductive, as it would drive tax shelters even further underground. Assistant Secretary Jenner has stated that the most effective way to stop tax shelter transactions is to require increased disclosure. The administration's tax shelter proposal increases disclosure by levying substantial penalties on those who fail to disclose their transactions.

As I have noted, this proposal has been repeatedly rejected in the House, and it would also hurt jobs and investment. Codifying the economic substance doctrine would result in businesses foregoing job-creating investments because of concerns that the IRS would improperly apply the economic substance doctrine to legitimate transactions.

Finally, this proposal goes beyond accepted case law. The Democratic proposal requires that some transactions have at least a risk-free rate of return. This type of provision goes beyond what is required by either the Tax Code or common-law court doctrines. Furthermore, their proposal does not define a risk-free rate of return.

All things being equal, this is a very poor substitute; and we urge its rejection.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, anytime that we can ask those companies that have moved to Bermuda to avoid paying American taxes with 134,000 troops in Iraq to pay their share, I am happy to have my fingerprints on that issue.

Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Maryland (Mr. HOYER), the Democratic whip.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, this debate on the alternative minimum tax epitomizes, unfortunately, precisely what is wrong in this House today: the Republican leadership's refusal to seize bipartisan opportunities where they exist, and its desire to turn every tax bill into a decisive political bludgeon.

Let us be honest: every Member of this House, without exception, recognizes that we must fix the alternative minimum tax. That is not what this debate is about. When the AMT was enacted in 1969, it was supposed to ensure that wealthy taxpayers paid a fair share, that is to say, that you did not have your accountants figure out 17 ways to Sunday that you would not pay any taxes to support this democracy, this Republic, this great Nation.

We said in a bipartisan way, you ought to pay something. But because it was not indexed for inflation, the AMT today ensnares more and more middle-income taxpayers. That was not the intent of any Member of this House. It forces them to pay more than they would under the regular tax schedule. But rather than trying to find a bipartisan solution to this growing and vexing problem, the majority has offered the legislative equivalent of a Band-Aid that would only drive us further into debt.

Make no mistake: the Democratic substitute drafted by the gentleman from New York (Mr. RANGEL) is vastly superior. Where the Republican bill would extend current AMT exemptions for taxpayers whose adjusted gross income is less than \$40,250, or \$58,000 for married couples, the Democratic substitute would say to individuals making \$125,000 or couples making \$250,000, the Alternative Minimum Tax was not meant for you. You will pay your regular taxes. It was meant for the very wealthy who exempted themselves from taxes.

I want you to know that I paid 10 percent more of my income, which is about one-eighth of DICK CHENEY's income, the Vice President's. Why? Because he has an extraordinary preference item, \$625,000 in income from municipal bonds. Zero taxes. But the soldiers who are defending the assets of those municipal bonds, CDC is protecting the health of those in those municipalities, as well as Mr. CHENEY's and mine.

Not one nickel of cost in the Republican bill is paid for. Not one nickel. My friends on the Republican side, you are raising taxes, but you are slick; you are doing it by the back door. You are increasing the debt. As a result of increasing the debt, my kids are going to have to pay higher taxes.

That is pretty slick. Why do I say it is slick? My kids happen to be voting; but my grandchildren, who are going to

have to pay more taxes, are not voting, so they are not focused on what you are doing, this shell game you are playing of pretending you are cutting taxes.

You are delaying taxes, is what you are doing; and you are increasing them at the same time. The fact is, the Democratic substitute provides a simpler and broader relief. It is fiscally responsible. That used to be the mantra of your party. Many of your folks talk about it today. They do not vote that way, however.

It is ironic, Mr. Speaker, that this Republican majority, which talks about tax fairness and simplification, in the last 3½ years has only made our Tax Code much more complicated.

Let us not perpetuate tax confusion and complexity. Let us help those who need help. Let us pay for what we do. That is the responsible policy. That would make this Congress responsible. We can do so in a bipartisan way. Vote for this substitute.

Mr. ENGLISH. Mr. Speaker, I yield myself 10 seconds to thank the gentleman for his salute to the simplicity of the economic substance doctrine, and we look forward to the vote on the substitute.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank my colleague for yielding me time to speak on what I consider to be a very important bill.

I rise in support of H.R. 4227 and commend my colleague, the gentleman from Connecticut (Mr. SIMMONS), for introducing this legislation.

This bill is simply about keeping promises, about keeping the promise made to the middle-class taxpayers that we would provide child credits to reduce the taxes on our young families, that we would eliminate the marriage penalty, and that we would expand the 10 percent bracket so that those low earners in America would not be burdened with tax liabilities.

Unfortunately, unless we pass this legislation, we will renege on that promise of lower taxes and effectively increase the taxes of 11 million taxpayers by on average \$1,520. I can tell you, that is a lot of money to families in our country. We cut their taxes; and we need to remain loyal to that policy that supports families, recognizes the circumstances of low-income individuals and families in the 10 percent bracket, and eliminates the gross unfairness of the current marriage penalty in our code.

So I rise in strong support of the legislation. It is temporary. I look forward to working with my colleagues in the administration on a permanent solution, but passage of this legislation is imperative.

I also strongly oppose the substitute. First of all, it is wrong to fund a 1-year provision with a permanent increase in taxes. It is also wrong to "clarify current law" by muddying it. Current law

has a body of case law behind it which has helped to define the complex issues and eliminate uncertainty.

Now, the current law could be improved upon. Our Acting Assistant Secretary of the Treasury, Gregory Jenner, has recommended, and the Treasury has strongly recommended, that we increase disclosure, that we require more disclosure, and that by doing so, we could stop tax shelter transactions that were abusive. So we need to move to increase disclosure.

But to add instead a new, complicated doctrine of economic substance will cause the kind of confusion that retards investment. People will be uncertain. This is a very complicated issue. They will not know what the government is going to do. They will slow down investment, killing jobs.

When our recovery is soft, it is dumb to do something that will cost jobs now and cost considerable jobs over the next few years. The Heritage Foundation has just come forward with an analysis that says this would kill 3,000 jobs the first year and 15,000 jobs over 5 years. Remember, many of our manufacturers pay taxes and would be affected by this, just at the time when they are getting back on their feet.

So what you do not need in the Tax Code is uncertainty. We have a problem in the Tax Code. We need to deal with it. A 1-year extension is the right way to go at this time.

Mr. Speaker, I thank the gentleman and oppose the substitute.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I remind the Republican Members a year ago in the Committee on Ways and Means they had a chance to vote for my AMT bill, which would have done exactly some of the things we are proposing to do today.

Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy in permitting me to speak on this.

Mr. Speaker, I find my friend from Pennsylvania's commentary somewhat ironic because all independent observers agree that after three rounds of massive tax cuts, we are getting very little benefit for the magnitude of the costs involved.

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On our side of the aisle, we have had a variety of areas that would have put far more people to work producing far more economic benefit for this country at far less cost.

It is also ironic that somehow, the blame; after 10 years of Republicans in control, that somehow, this inequity is the problem of the Democrats. In fact, under the watch of my Republican colleagues, we have seen the "millionaires' tax" that was enacted in 1969 to stop sheltering all income, now punishes people who pay their taxes, claim a child care credit, and save for their future.

In the midst of the largest tax-cutting frenzy in our country's history, the Republican majority has used the \$600 billion that is going to be extracted from people who do not deserve to pay this over the next 10 years, to disguise the impact of their misguided policies.

Now, I would suggest that it is inappropriate to continue limping along as my Republican colleagues would do today with the enactment of their proposal. It just puts off the day of reckoning, gets past another election and, they hope, can implement more of their true agenda: to provide more permanent tax relief for people who need it the least.

Now, I would suggest that the Democratic substitute, which is providing more help and not making deficits worse, is a step in the right direction. I join with my friend, the gentleman from Pennsylvania (Mr. ENGLISH) and the gentleman from Massachusetts (Mr. NEAL) to come forward to either repeal or fix the alternative minimum tax. But we could do that in a minute if the Committee on Ways and Means would return to its historic way of doing business, being bipartisan, maybe even considering legislation like this in committee before bringing it to the floor, allowing debate back and forth, allowing amendments. I think we would have a bipartisan majority that would put 400 votes on the floor to get rid of the single greatest inequity in the Tax Code.

Instead, the drum-beat from my friends on the other side of the aisle is to make permanent the most egregious part of their program for the people who need it least, and holding hostage some 35 million to 43 million American families with this sword of Damocles holding over their heads. It is just what they have done with the estate tax. Instead of coming forward with a bipartisan reform that we are ready to do and would get 300 or 400 votes, they have this bizarre thing where one has to be careful about what year they die, to know how many wills they have to have in order to play the game with this year after year.

I think it is inappropriate and it is shameful. It is time for us to take a step in the right direction, with the approval of the Democratic substitute.

Mr. ENGLISH. Mr. Speaker, I am delighted to yield 3 minutes to the gentleman from Florida (Mr. FOLEY), my distinguished colleague on the Committee on Ways and Means.

Mr. FOLEY. Mr. Speaker, let me thank the gentleman from Pennsylvania for leading the debate today. I certainly want to salute my colleague, the gentleman from Massachusetts (Mr. NEAL). He has raised this AMT issue at every one of our hearings on the Committee on Ways and Means. He has kept this issue alive. It is important for the people who are middle wage-earners in our country to get some relief.

I disagree with the past speaker on suggesting we are limping along, sug-

gesting that the tax cuts that we put in place have not helped this economy. If we tune in to any show or read any publication, whether it is CNBC or CNN or to read Forbes Fortune or the Wall Street Journal, virtually every person who studies the economy is giving credit for this resurgence, if you will, of opportunity due to the tax cuts we have enacted.

The AMT is a burden for middle income taxpayers. We in our bill solve that burden, and we do so without raising corporate taxes. That is a good debate for a day, maybe today, maybe another day on corporate taxation, because we do understand a lot of companies take their plants and facilities overseas.

I asked the H.J. Heinz Company why they found so many countries comfortable for them to move plants to and they said we want to be close to those who are buying our goods and services. So I do not look at the Heinz Company as unpatriotic for opening Heinz of Canada, Heinz of Ireland, Heinz of France, or Heinz of whatever countries they settle in. But I do recognize that at times, companies do make decisions based on their locations, based on the Tax Code of this country.

All agree that our corporate taxes today are too high, and in the Rangel substitute, they raise them further. So we start off with a problem of substance in their bill that actually further punishes corporations who are trying to provide jobs here in America for the citizens of our country. So the administration and this committee, the Committee on Ways and Means on the Republican side, do oppose what would be a \$15 billion tax increase.

We also recognize that this needs to be dealt with, and we have dealt with it. If we look back at our history, Public Law 107-16, the Economic Growth and Tax Relief Reconciliation Act, we allowed the child credit, the adoption credit, the small savers credit to be counted against the AMT in 2010. We increased the exemption from 45 for 49 for married couple, and 33 to 35 for single individuals. In public law 107-47, the Job Creation and Worker Assistance Act of 2002, we extended through 2003 the ability to claim nonrefundable tax credits against the AMT. Public law 108-27, the Jobs and Growth Tax Reconciliation Act of 2003 again expanded the amounts and extended the amounts. The Tax Relief Act, H.R. 3521.

So there is a consistent history of our committee in a Republican-led Congress moving forward on trying to minimize the grab, if you will, of the AMT.

Now, I believe as we try to determine on this bill how to give people an understanding of how to file their taxes, how to do their taxes, simplicity is the best possible option, and I do look forward to the chance we have on our committee to talk about simplifying this very complicated Tax Code.



But today we are here to oppose the Rangel substitute and genuinely support H.R. 4227 to provide relief for American families.

Mr. NEAL of Massachusetts. Mr. Speaker, I am just curious, and I would ask the gentleman from Pennsylvania (Mr. ENGLISH) or perhaps the gentleman from Florida (Mr. FOLEY), since this was never aired in the committee, this proposal has not been brought up in front of the committee, will the author of this proposal, will he be taking his picture with the Committee on Ways and Means later on at 2 o'clock? Will we have him there for the photograph for history and posterity? I was just wondering, since we now have non-members of the committee bringing these proposals forward.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, the country should know there is a tax train wreck coming along the tracks here, and what is the Republican answer? Speed up the train, making tax cuts permanent, mainly, heavily, for the very wealthy, and they essentially try to hide the track.

First of all, much of what is being given is going to be taken back by the AMT. Secondly, while some is being taken back now, much more will be in future years. So what is the answer of the Republican majority? The answer is, oh, blame the Democrats because of actions taken what, 10 years ago, 12 years ago, 15 years ago. The Republicans have run this place for 10 years, and their answer on the AMT is always wait until next year. The gentleman from Massachusetts (Mr. NEAL) has heard that year after year.

When the Republicans took over this place, a third of 1 percent of taxpayers were subject to the AMT. In 2004, that will be 7 times as many. So what do they do? They extend it for 1 year, even though in 2011, the percentage will go up to 11.2, many, many, many times more than the number who paid the AMT when the Republicans took over.

So why do they not act? Because it is going to cost so much money. The estimate is that if this bill is extended and essentially made permanent, during the next 10 years, it would cost \$550 billion, way beyond 17, and if you add interest, \$650 billion it would cost. So the Republicans say, wait until next year because they know they cannot act this year and be honest with the American people.

This Republican majority simply cannot tell it straight to the American people. They set up a caucus, the Zero Tax Caucus. Why do they not just act this year instead of setting up a caucus that is nothing more than a smoke screen?

The substitute is an honest attempt to do better and to pay for it. The Republican majority does not want to pay

for any of their tax cuts, even those that help middle income taxpayers, but most go to high-income taxpayers.

Vote for the substitute. Let us begin to be honest with the American public.

Mr. ENGLISH. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. AKIN).

Mr. AKIN. Mr. Speaker, I rise today in strong opposition to the substitute offered by the gentleman from New York. I have heard the term "bipartisan" and "bipartisan solution" now for about half an hour, and it seems to be a synonym for tax increases. That is exactly what we are talking about here.

Last week, Democrats claimed that the AMT needed to be fixed so that married couples could fully benefit from the repeal of this marriage penalty. Well, given the substitute, apparently what they really meant was that only certain married people and only for a period of 1 year.

Adding insult to injury, the Democrat substitute would also permanently raise taxes on manufacturers and other job-creating parts of our economy. I cannot speak for other States, but I can assure my colleagues that the last thing that manufacturers in the State of Missouri want is to have their already slim profits taxed even further. I really do not understand the logic of wanting to go for a big tax increase on the very sector that is creating jobs in our economy. It seems to me that in the last couple of years, we have finally pulled out of a recession because of the tax cuts, and now, we want to tax companies and they are the ones that make the jobs. It does not make any sense at all.

Mr. Speaker, the American people deserve better than another Democrat tax increase. We are here today because in 1993, when President Clinton and the Democrats passed the largest, one of the largest tax increases in history, they did so without indexing those taxes for inflation. As a result, more and more middle income Americans are now hit with a tax that was originally enacted to try to ensure that only the wealthiest among us should pay taxes.

Now, this so-called the wealthiest 1 percent is actually paying 37 percent of the total personal income taxes. One percent is paying 37 percent of the total personal income taxes in this country. I am just not seeing the logic of the fact that we have to have another tax increase.

Today, 3 million hard-working American families are hit with the AMT, a tax that the Congress never intended them to pay. If we do not act today, by 2005, 11 million American families will be burdened with the AMT.

Mr. Speaker, I encourage my colleagues to reject another Democrat tax increase, support House Resolution 4227, which ensures that American families will receive the relief that they deserve.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield for the purpose of

making a unanimous consent request to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, because H.R. 4227 does nothing but increase taxes on the middle class, I rise enthusiastically to support the Democratic substitute of the alternative minimum tax relief of the gentleman from New York (Mr. RANGEL), and I ask my colleagues to support it.

Mr. Speaker, I rise today in support of the Democratic substitute presented here today by my distinguished colleague, Congressman RANGEL.

The democratic substitute answers the shortfalls found throughout the H.R. 4227. While H.R. 4227 purports to provide tax relief for our nation's struggling middle class, the reality is far from that. This bill is a mirage, a gimmick. It provides little to no relief for the majority of middle class Americans. This is another Republican ploy to try and fool the middle class that the Majority party is attempting to grant them tax relief. It is an attempt to cover up the vast amount of tax relief given to wealthy individuals and big businesses.

Unfortunately this bill does more than just nothing, in reality it hurts our middle class. This bill will roll back a large portion of the Administration's tax relief while at the same time taking back over half of the benefits provided by last weeks marriage penalty relief bill. This just does not make sense. How can you claim to provide tax relief for the middle class by proposing a bill that cuts back tax relief for the middle class?

The Democratic substitute answers these shortfalls. It provides the needed tax relief for our middle classes without any hidden tricks or misrepresentations. It provides more tax relief to more people without rolling back past promises of tax relief to more people without rolling back past promises of tax relief. In fact, it provides tax relief to 1 million more families than the GOP version and is substantially more effective in providing relief for middle class families making less than \$250,000 a year. Under the GOP plan a family of four earning a combined income of 95,000, residing in a high tax state, will be forced to pay the minimum tax. The Democratic Substitute is an easier more effective way to grant tax relief to the middle class and does away with the burdensome paperwork required under the Republican plan.

While the IRS's National Taxpayer Advocate labeled the AMT as our nation's most pressing tax concern, the Democratic Substitute is a serious long range plan to fix the problem, while the Republican plan is at best a stop-gap measure. Our current tax system towards the middle class is a sinking ship filled with holes. The current Republican proposal is a bucket. We don't need a bucket we need a new ship. The Democratic Substitute is a step towards this goal. Please join me and vote in favor of the Democratic Substitute.

Mr. NEAL of Massachusetts. Mr. Speaker, a quick reminder to the previous speaker. More than half of the promised benefits last week of the marriage tax penalty are taken back under alternative minimum tax.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. HINCHEY).

□ 1330

Mr. HINCHEY. Mr. Speaker, under the Bush administration, 2.6 million jobs have been lost, long term unemployment is at a record high. We have gone from \$5.6 trillion surplus in the Federal budget to nearly \$3 trillion in deficit; and this year, the huge budget deficit is expected to reach \$500 billion primarily due to the economic plans of the President and congressional Republicans. Four million people lost their health insurance; 1.3 million more people have gone into poverty. Median income of middle class families is down \$1,400. Thousands of schools are being forced to meet Federal education standards without additional Federal assistance.

Federal transportation and infrastructure programs are on life support while Republicans squabble over the transportation bill. These are serious problems that we will not be addressing today.

Reforming the alternative preliminary tax is another serious matter and it is something that Congress should take seriously. The Republican bill before us today, however, simply pushes the problem down the road. By the end of this decade, 33 million or 75 percent of families making between 75 and \$100,000 will be swept up into the AMT. It is obvious that this needs to be fixed.

Republicans are to be blamed for this dilemma. Their irresponsible tax reductions fail to include any form of the AMT despite the fact that they forced, and will continue to force millions of middle income families who live in high tax States to pay the costly alternative minimum tax. What the Republican bill would do today is borrow \$20 billion to provide a 1-year extension of the increased exemptions that middle income families currently rely on to avoid paying the AMT. This is not real reform. It is procrastination and it is dangerous. It adds to our deficit and effectively raises the Republican debt tax that has ballooned under President Bush.

The Democratic substitute provides more tax relief to middle income families without adding a penny to our debts. It would eliminate AMT liability for taxpayers whose adjusted gross income is less than \$250,000; and it would provide the framework for Congress who begin reforming AMT.

We Democrats support tax relief for lower and middle income families. Our bill does that. Democrats also are not afraid to begin addressing the serious problems facing our country. We are willing to take them head on as evidenced by this substitute.

It is time the House got serious about the issues facing our country today. Simply procrastinating, pushing off problems on to the shoulders of our children and grandchildren, that is the Republican plan. It is also unacceptable; it is immoral, and it must stop.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Hampshire (Mr. BRADLEY).

Mr. BRADLEY of New Hampshire. Mr. Speaker, once again, I salute the hard work of my colleague from Pennsylvania in bringing this issue to the attention of the full House.

Mr. Speaker, I oppose the substitute amendment. Why? This corporate tax increase that is proposed would be a job killer. That is why. Right now at 35 percent for a corporate tax rate, we have the second highest corporate tax rate in the world. We have a 5.7 percent unemployment rate. And though we have seen progress over the last several months due to tax reduction, the time is not appropriate right now to raise corporate taxes.

The second reason is the WTO. The WTO tariffs have increased just recently to 7 percent. We need to be addressing this with the FSC/ETI reform package, and the way that we are going to address this is reducing corporate taxes, not raising corporate taxes. So the message of the substitute motion to raise corporate taxes is a job kill and it will not enable us to deal with the looming crisis of the WTO issue.

So let us pass the underlying bill, H.R. 4227, which gives a 1-year fix, an inflation adjustment to the alternative minimum tax. It ensures that couples who today are earning \$58,000 will be exempt from the AMT or for single individuals who are earning \$40,000 will be exempt, and not moving those brackets down to \$45,000 for a couple or \$33,750 for a single individual.

This bill, the underlying bill, will allow us to address the long-term issues that are a sleeping giant of the alternative minimum tax. The fact that today 3 million people pay it, tomorrow, if we do not pass the underlying bill, 11 million people pay it, and by the end of the decade, it will be one in every three taxpayers who will fall victim to the AMT.

We need the underlying bill today. We do not need the substitute motion.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. ISRAEL).

Mr. ISRAEL. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in support of this substitute. Last week when we debated the marriage penalty relief, I said this: That the bill that we were debating was not an act of Congress. It was an act of Harry Houdini. Here today, gone tomorrow. Give with one hand, snatch away with the other. And one week later here we are again, another act of Houdini.

The majority's AMT bill says to middle class taxpayers, we are going to do a little bit today and nothing tomorrow. Their bills says to middle class taxpayers who are bleeding from the largest tax increase in the history of the middle class, take two aspirins, call us next year. Millions of middle class taxpayers are hurtling to a cliff,

our cops, our teachers, our nurses, our firefighters, they will fall off that AMT cliff, and what you want to do is simply build them a bigger ramp. That is the Republican plan.

Here is our substitute. If your adjusted earnings are \$250,000 or less, no AMT. No filings, no calculations, no confusion, no AMT tax. You do not have to worry about it. We say, tax relief for the middle class now. You say, keep taxing them. We say we are going to get to it now and fix it. You say we are just going to talk about it. We say, protect the middle class. You say, protect the big offshore corporate tax shelters and havens. We say reform. You say status quo. We say, solve the problem now and in the future. You say, let us keep pointing the partisan fingers of blame at the past and not solve this problem for the middle class.

They deserve better, the middle class. They deserve a real choice. They deserve real tax relief and meaningful reform which is why this substitute makes sense, and why the act that we are being given today is nothing more than more Harry Houdini trickery on the middle class taxpayers.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the gentleman from the State of Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise today in strong opposition to the Rangel substitute and in support of H.R. 4227. I want to thank my colleague from Pennsylvania (Mr. ENGLISH) and the gentleman from Connecticut (Mr. SIMMONS) for their leadership on this important issue.

The AMT, created over 30 years ago to ensure the super wealthy were not escaping paying taxes, has grown out of control and is now trapping millions of middle class families in a complicated and costly tax system.

Under the leadership of President Bush, the 2001 and 2003 tax relief bills passed by this Congress included increases in exemption amounts which ensured many middle income families would not be hit with this tax. If this Congress does not act, that relief will disappear in 2005.

If these exemption are allowed to expire, approximately 11 million taxpayers will be hit with an average tax increase of over \$1,500. This substitute is a misguided attempt to provide for AMT relief. While this provides temporary relief for some families, it does so by permanently raising taxes on the country's manufacturers and other corporations.

While the economy is recovering and job creation is steadily increasing, now is not the time to permanently increase taxes on our country's job creators.

I strongly support permanent reform of the AMT. And, in fact, I have introduced a bill that would index the AMT to inflation and end in a full repeal of this terrible system in 2010. While I believe a long-term solution such as this is needed to address the tax system,

doing nothing or voting to increase taxes on corporations are irresponsible options, in my view.

By extending the 2003 relief through 2005, we can continue to protect our middle class families from this tax while Congress works on a long-term solution of reform.

I encourage my colleagues to vote no on increasing taxes with this substitute and instead vote in support of the underlying bill. H.R. 4227 is a reasonable short term solution to the growing problem of AMT.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I remind the gentleman you cannot fix this on a long-term basis without doing something about the tax cuts that the gentleman was heralding a couple of minutes ago.

Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, here we are, another week, another tax debate. Another occasion in the House of Representatives where the GOP majority has offered nothing, nothing substantive about the looming deficit crisis that is racking up historic levels of debt in this country.

I do not suppose it is a mystery they do not want to talk about it because when they bring their budget, whenever they can get it out of conference, it will include, we are told, an increase in the borrowing limit for our country. It will take the borrowing limit to the highest levels in the history of the United States. Some are saying it will take the borrowing limit over \$10 trillion. That is \$10 trillion of debt to be incurred under their fiscal plan for this Nation. Debt we will leave to our children and debt we can not responsibly pass on.

So as we take a look at something imperative like doing something to respond to the AMT, let us, for goodness sake, put in place a provision to pay for it so we do not even drive this monstrous debt they have given us even deeper. That is what the substitute is about.

It talks about clamping down on high-flying tax cheats, some of the worst avoidance schemes, some of the most shallow, unjustifiable schemes created simply to cheat the Federal Government by the high flyers that can afford the hundreds of thousands of dollars of legal and accounting bills to dream up these schemes.

The Republican majority in this debate has become "amen corner" for tax cheats in this country. You might think the next thing we will see from this outfit is a resolution commending the Enron executives for their creative financing.

The fact is there is a whole lot of tax avoidance illegally done in this country. I am very pleased with the announcement made by IRS Commissioner Mark Everson today about an initiative launched by the IRS that

they believe is going to target just in 1,500 to potentially 5,000 multi-millionaires and corporations, a crackdown on an illegal tax scheme that they think will generate for this Treasury 5 to \$10 billion.

So do not stand over here and tell us that cracking down on tax cheats is raising taxes. Taxes are what hard working Americans pay because they owe it. But the tax avoidance and tax cheats that you salute so highly in this debate is something else again. We believe we ought to capture that revenue so we do not drive this debt deeper for our kids. That is what the substitute is about. I urge Members' support.

Mr. ENGLISH. Mr. Speaker, I yield 4 minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Pennsylvania for yielding me time.

Mr. Speaker, I rise in opposition to the Rangel substitute and in support of the base legislation that we are discussing here today. I think it is important to have a full perspective of what is being talked about. Part of it, of course, is the tenor of the times, where we are on the calendar, the fact that notwithstanding, the first Tuesday following the first Monday in November the people of the United States will make some decisions. Perhaps it is in order, Mr. Speaker, to remind the Nation, and certainly my colleagues in this Chamber, how we arrived at this point.

A decade ago, the largest tax increase in American history increased the alternative minimum tax rate and did not adjust the AMT exemption amounts for inflation. As a result, more and more middle income families are forced to pay the AMT each year. Now with a change in majority status, when I was pleased to come here to the Congress and become a part of this majority, the fact is we have delivered time and again on relief from the alternative minimum tax.

Public Law 107-16, the Economic Growth and Tax Relief Reconciliation Act of 2001; Public Law 107-47, the Job Creation and Worker Assistant Act of 2002; PL 108-27, Jobs and Growth Tax Relief Reconciliation Act of 2003; H.R. 3521, the Tax Relief Extension Act of 2003; H.R. 4227, the Middle Class Alternative Minimum Tax Relief Act of 2004, again providing alternative minimum tax relief by extending the relief enacted in 2003, adjusting it for inflation through 2005.

Now, my friends on the other side of the aisle reminiscent of a country song, that is their story and they are sticking to it, perhaps need to be reminded of this fact.

□ 1345

Do my colleagues know who really ends up paying corporate taxes? Mr. Speaker, the fact is every American consumer ends up paying corporate

taxes. How? Prices increase, business accommodates, oh, and just to help people understand because I listened with interest to my friend from North Dakota say that somehow we are in the amen corner, I will tell my colleagues what I do say amen to, Mr. Speaker. I say amen to more quality jobs for Americans, and the Rangel substitute will result in lost jobs by imposing a permanent tax hike on manufacturers and other job creators at a time when our economy is recovering.

I know, Mr. Speaker, for many, given the political season, any good news is bad news for partisan political fortunes; but the fact is, we have seen an increase in orders for manufacturing. Manufacturing is on the upswing. Now that we are seeing real growth, quarterly economic growth, now that we are getting there, my friends on the left, who sadly have never met a tax hike they did not like, witnessed their inaction in the wake of the largest increase in American history a decade ago now let us put the kibosh on the recovery.

How best to do that? Well, let us cost jobs to the manufacturing sector, let us demonize anyone who creates jobs, and let us go back to the time-tested bugaboo and shopworn phrase that we are only going to increase taxes on the rich because the rich are somehow inherently evil.

No, Mr. Speaker, I reject that notion wholeheartedly because what we are talking about is opening doors of opportunity through job creation. That is why we should reject the Rangel substitute, stick with my good friend from Pennsylvania, and pass, yet again, relief from the alternative minimum tax.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, I rise today in support of the Democratic substitute. I join my colleagues in offering this amendment in order to bring relief to so many families, particularly Long Island families who have been disproportionately hit by the alternative minimum tax. Our substitute would not only extend the current exemption, but it would exempt married couples with incomes under \$250,000 from this punitive tax. In addition, and this is very important, we completely pay for this tax relief to middle-income families by closing corporate loopholes.

Long Island taxpayers are paying the price for this Congress' abdication of duty when it comes to sound tax policy. Our refusal to reform the AMT has had the effect of severely curtailing the promised Bush tax cuts from middle-income Long Island families. While the wealthiest families completely benefit from the tax cuts targeted towards the upper brackets, middle-income families were hit with the unwelcome surprise of higher taxes on tax day.

I have been hearing from constituents all across Long Island who feel double-crossed and double-taxed by

this undue tax burden. In fact, just yesterday I was speaking with an accountant from my hometown who told me that AMT filings for middle-income Long Islanders had shot through the roof this year, while the wealthiest were reaping tremendous tax benefits, some in excess of \$1 million of tax savings. For example, married couples in my district with two children and an income consisting of \$15,000 in wages were forced to pay the AMT due to State income taxes and real estate taxes totaling over \$21,000. This, in turn, triggered the AMT.

More Long Islanders pay the AMT than taxpayers in any other region of the country, and I will do everything in my power to put an end to this unfair treatment. Middle-income Long Islanders bear the brunt of this tax because State and local income taxes, property taxes, and other personal deductions are added back in for the purpose of calculating the AMT, and anyone who lives on Long Island will tell my colleagues that our property taxes, in particular, are very, very high. The net effect of this is that we pay inordinately high property taxes, and then we turn around and are robbed by the AMT of our full Federal tax relief.

We need a long-term solution for the AMT and not simply a short-term fix. The so-called fix under consideration would do nothing, and I repeat nothing, for the Long Islanders who found themselves paying the AMT this year. Our substitute sends us down the path towards a long-term solution and makes sure that middle-income families are truly relieved from this tax next year. Under our substitute, two-parent families on Long Island making \$250,000 or less would be able to rest assured that they would not be forced to pay the AMT. This is the right kind of relief for working families.

In my opinion, we owe it to the American taxpayers to put our heads together and reconsider the consequences of this failed tax policy and reform the AMT so that it no longer hurts middle-income families.

Mr. ENGLISH. Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, might I inquire as to how much time is left.

The SPEAKER pro tempore (Mr. BASS). The gentleman from Massachusetts (Mr. NEAL) has 1½ minutes remaining, and the gentleman from Pennsylvania (Mr. ENGLISH) has 4¼ minutes remaining.

Mr. NEAL of Massachusetts. Is the gentleman prepared to close?

Mr. ENGLISH. Yes.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself the time that is left.

Mr. Speaker, we have had this debate now in this House for a long period of time. For Members on the majority side to say, well, this was a Democratic proposal in 1986 and then to conveniently forget or suggest that during their 10 years that they have not had

sufficient opportunity, working, by the way, with a willing minority to fix the issue, really does not make a great deal of sense. This issue is hanging out there. It is waiting for a solution. There ought to be an opportunity in a bipartisan manner to fix it.

I have said flatly I am in favor of repealing the alternative minimum tax. Let us get rid of it. There is a revenue gap to make up, \$600 billion, that has to be found somewhere; but when we offer the suggestion, it goes nowhere, because it does not square, Mr. Speaker, with the tax cuts that the administration has offered and that the compliant Members of the majority have gone along with without ever, ever, ever asking a question.

Forbes magazine has suggested that the tax cuts that the Republican majority and the administration have offered only make the alternative minimum tax issue worse for middle-income Americans. We have heard today a suggestion that issues of war in the Middle East and in Afghanistan are irrelevant to these discussions. How are we going to pay for the troops, 134,000 that are in Iraq and 12,000 that are in Afghanistan, and support this war effort? How are we going to pay for, first, the Defense budget that goes to \$421 billion at the conclusion of this session, \$41 billion for homeland security? They are off by \$140 billion in their prescription drug bill proposal; and the answer is, to all of this, tax cuts.

Mr. Speaker, we can fix the alternative minimum tax issue in a bipartisan manner. I am more than happy to offer my support to try to get that under way. Support the Democratic alternative today. It, in the end, is responsible tax policy, and show those people at Enron and show those people in Bermuda that they ought to pay like the rest of the American people.

Mr. ENGLISH. Mr. Speaker, I yield myself the balance of my time, and first of all, thank the gentleman for his contribution and take him up on his offer because we in the Zero AMT Caucus would like to work for permanent resolution of this problem. We would like to see a permanent repeal of the AMT; but unfortunately, in the current political climate, in the current climate of gridlock and recrimination that we have in Washington, nothing more elaborate than the current fix appears to be possible.

Let me say there are a couple of things that I need to correct at the outset.

It was suggested by the gentlewoman from Texas that our bill is a tax increase. It is very hard to understand how she would make that point; but to be clear, this provides critical tax relief for a significant portion of the middle class.

The gentleman from Long Island intimated that there was nothing in this bill to help these people. Well, as a practical matter, a place like Long Island would be one of the biggest beneficiaries of the underlying Republican bill because of the high taxes.

Let me say that the gentleman from Michigan talked about a tax train wreck. I come from a part of the world where we make locomotives, and we recognize their dynamics; and let me say that we recognize that the locomotive that was started, that is threatening, the train wreck was started back when the other party controlled the Chamber and did not deal with an underlying problem by making the AMT responsive to increases in the cost of living.

We have heard procedural arguments from the other side, that the committee has not looked closely enough at this issue; and I reject those because the committee clearly has been tracking this issue from the get-go.

What we have instead is the core issue, which is the substitute being offered today and which, on the other side, they are proposing to dramatically increase the complexity of the Tax Code and also significantly raise corporate taxes on a permanent basis in order to provide temporary tax relief. They congratulate themselves for doing that, but I do not think that they are entitled to a new chapter in "Profiles in Courage."

My feeling is that the substitute is inherently a bait-and-switch and increasing taxes at a time when we are experiencing, we are trying to come out of a slow-down. We are, in a sense, embracing Herbert Hoover economics.

I think that the substitute is very ill conceived. It, among other things, imposes a burden on the corporate community at a time when we worry about competitiveness; but that burden is far greater than the one simply indicated by the expected revenue. This is a burden which will permanently change behavior and affect legitimate business transactions. So the rhetoric of the gentleman from North Dakota that this only affects tax cheats is unfortunately not accurate. This is going to be an enormous burden for the corporate sector coming at a most unfortunate time.

Ultimately, I sense that the reason why the folks on the other side have not been as aggressive and certainly in many cases not as aggressive as the gentleman from Massachusetts to deal with this problem is that they want to spend the money. May I suggest, in the end, we get to the solution on reforming the corporate AMT, not by undercutting the tax bill, not by undercutting the tax program which is revitalizing America's economy today, but ultimately by controlling our spending. That is how we will in the context of a growing economy get back to a balanced budget and I think in the long run also have room to deal with this AMT.

Again, I invite our friends on the other side of the aisle to work with us on this issue. We have an opportunity to do this on a bipartisan basis. This is a part of the Tax Code that we agree on, but I think the solution starts today with a rejection of the ill conceived substitute that is being offered

by the other side and passage of the underlying legislation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time has expired.

Pursuant to House Resolution 619, the previous question is ordered on the bill and on the amendment offered by the gentleman from Massachusetts (Mr. NEAL).

The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. NEAL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. NEAL of Massachusetts. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 197, nays 228, not voting 8, as follows:

[Roll No. 143]

YEAS—197

Abercrombie	Evans	McCarthy (NY)
Ackerman	Farr	McCollum
Alexander	Fattah	McDermott
Allen	Ford	McGovern
Andrews	Frank (MA)	McIntyre
Baca	Frost	McNulty
Baird	Gephardt	Meehan
Baldwin	Gonzalez	Meek (FL)
Ballance	Gordon	Meeks (NY)
Becerra	Green (TX)	Menendez
Bell	Grijalva	Michaud
Berkley	Gutierrez	Millender-
Berman	Harman	McDonald
Berry	Hastings (FL)	Miller (NC)
Bishop (GA)	Hill	Miller, George
Bishop (NY)	Hinchey	Moore
Blumenauer	Hinojosa	Moran (VA)
Boswell	Hoeffel	Nadler
Boucher	Holdeen	Napolitano
Brady (PA)	Holt	Neal (MA)
Brown (OH)	Honda	Oberstar
Brown, Corrine	Hooley (OR)	Obey
Capps	Hoyer	Olver
Capuano	Inslee	Ortiz
Cardin	Israel	Owens
Cardoza	Jackson (IL)	Pallone
Carson (IN)	Jackson-Lee	Pascrell
Case	(TX)	Pastor
Chandler	Jefferson	Payne
Clay	John	Pelosi
Clyburn	Johnson, E. B.	Peterson (MN)
Conyers	Jones (OH)	Pomeroy
Cooper	Kaptur	Price (NC)
Costello	Kennedy (RI)	Rahall
Cramer	Kildee	Rangel
Crowley	Kilpatrick	Reyes
Cummings	Kind	Rodriguez
Davis (AL)	Kleczka	Ross
Davis (CA)	Kucinich	Rothman
Davis (FL)	Lampson	Roybal-Allard
Davis (IL)	Langevin	Ruppersberger
Davis (TN)	Lantos	Rush
DeFazio	Larsen (WA)	Ryan (OH)
DeGette	Larson (CT)	Sabo
Delahunt	Lee	Sánchez, Linda
DeLauro	Levin	T.
Deutsch	Lewis (GA)	Sanchez, Loretta
Dicks	Lipinski	Sanders
Dingell	Lofgren	Sandlin
Doggett	Lowe	Shakowsky
Dooley (CA)	Lucas (KY)	Schiff
Doyle	Lynch	Scott (GA)
Edwards	Majette	Scott (VA)
Emanuel	Maloney	Serrano
Engel	Markey	Sherman
Eshoo	Marshall	Skelton
Etheridge	McCarthy (MO)	Slaughter

Smith (WA)  
Snyder  
Spratt  
Stark  
Stenholm  
Strickland  
Stupak  
Tanner  
Tauscher  
Taylor (MS)

Thompson (CA)  
Thompson (MS)  
Tierney  
Towns  
Turner (TX)  
Udall (CO)  
Udall (NM)  
Van Hollen  
Velázquez  
Visclosky

Waters  
Watson  
Watt  
Waxman  
Weiner  
Wexler  
Woolsey  
Wu  
Wynn

NAYS—228

Aderholt  
Akin  
Bachus  
Baker  
Ballenger  
Barrett (SC)  
Bartlett (MD)  
Barton (TX)  
Bass  
Beauprez  
Bereuter  
Biggert  
Bilirakis  
Bishop (UT)  
Blackburn  
Blunt  
Boehrlert  
Boehner  
Bonilla  
Bonner  
Boozman  
Bradley (NH)  
Brady (TX)  
Brown (SC)  
Brown-Waite,  
Ginny  
Burgess  
Burns  
Burr  
Burton (IN)  
Buyer  
Calvert  
Camp  
Cannon  
Cantor  
Capito  
Carson (OK)  
Carter  
Castle  
Chabot  
Chocola  
Coble  
Cole  
Collins  
Cox  
Crane  
Crenshaw  
Cubin  
Culberson  
Cunningham  
Davis, Jo Ann  
Davis, Tom  
Deal (GA)  
DeLay  
Diaz-Balart, L.  
Diaz-Balart, M.  
Doolittle  
Dreier  
Duncan  
Dunn  
Ehlers  
Emerson  
English  
Everett  
Feeney  
Ferguson  
Flake  
Foley  
Forbes  
Fossella  
Franks (AZ)  
Frelinghuysen  
Galleghy  
Garrett (NJ)  
Gerlach  
Gibbons  
Gilchrist

Gillmor  
Gingrey  
Goode  
Goodlatte  
Goss  
Granger  
Graves  
Green (WI)  
Gutknecht  
Hall  
Harris  
Hart  
Hastings (WA)  
Hayes  
Hayworth  
Hefley  
Hensarling  
Herger  
Hobson  
Hoekstra  
Hostettler  
Houghton  
Hulshof  
Hunter  
Hyde  
Isakson  
Issa  
Istook  
Jenkins  
Johnson (CT)  
Johnson (IL)  
Johnson, Sam  
Jones (NC)  
Kanjorski  
Keller  
Kelly  
Kennedy (MN)  
King (IA)  
King (NY)  
Kingston  
Kirk  
Kline  
Knollenberg  
Kolbe  
LaHood  
Latham  
LaTourette  
Leach  
Lewis (CA)  
Lewis (KY)  
Linder  
LoBiondo  
Lucas (OK)  
Manullo  
Matheson  
McCotter  
McCrery  
McHugh  
McInnis  
McKeon  
Mica  
Miller (FL)  
Miller (MI)  
Miller, Gary  
Mollohan  
Moran (KS)  
Murphy  
Murtha  
Musgrave  
Myrick  
Nethercutt  
Neugebauer  
Ney  
Northup  
Norwood  
Nunes  
Nussle

Osborne  
Ose  
Otter  
Oxley  
Paul  
Pearce  
Pence  
Peterson (PA)  
Petri  
Pickering  
Pitts  
Platts  
Pombo  
Porter  
Portman  
Pryce (OH)  
Putnam  
Quinn  
Radanovich  
Ramstad  
Regula  
Rehberg  
Renzi  
Reynolds  
Rogers (AL)  
Rogers (KY)  
Rogers (MI)  
Rohrabacher  
Ros-Lehtinen  
Royce  
Ryan (WI)  
Ryun (KS)  
Saxton  
Schrock  
Sensenbrenner  
Sessions  
Shadeegg  
Shaw  
Shays  
Sherwood  
Shimkus  
Shuster  
Simmons  
Simpson  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Souder  
Stearns  
Sullivan  
Sweeney  
Tancred  
Terry  
Thomas  
Thornberry  
Tiahrt  
Tiberi  
Toomey  
Turner (OH)  
Upton  
Vitter  
Walden (OR)  
Walsh  
Wamp  
Weldon (FL)  
Weldon (PA)  
Weller  
Whitfield  
Wicker  
Wilson (NM)  
Wilson (SC)  
Wolf  
Young (AK)  
Young (FL)

reminded that 2 minutes remain in this vote.

□ 1425

Mr. TAYLOR of North Carolina, Mr. KNOLLENBERG, Mrs. JOHNSON of Connecticut, Mrs. MUSGRAVE and Mr. FEENEY changed their vote from "yea" to "nay."

Mr. ORTIZ changed his vote from "nay" to "yea."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall No. 143, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted "yes."

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 143 on the Neal Substitute Amendment, I was unavoidably detained. Had I been present, I would have voted "yes."

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ENGLISH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 333, nays 89, not voting 11, as follows:

[Roll No. 144]

YEAS—333

Ackerman	Burton (IN)	Doolittle
Aderholt	Buyer	Dreier
Akin	Calvert	Duncan
Alexander	Camp	Dunn
Allen	Cannon	Edwards
Baca	Cantor	Ehlers
Bachus	Capito	Emerson
Baker	Cardin	Engel
Baldwin	Cardoza	English
Ballance	Carson (OK)	Eshoo
Ballenger	Carter	Etheridge
Barrett (SC)	Castle	Evans
Bartlett (MD)	Chabot	Everett
Barton (TX)	Chandler	Farr
Bass	Chocola	Feeney
Beauprez	Clay	Ferguson
Bell	Coble	Flake
Bereuter	Cole	Foley
Berkley	Collins	Forbes
Biggert	Costello	Ford
Bilirakis	Cox	Fossella
Bishop (GA)	Cramer	Franks (AZ)
Bishop (NY)	Crane	Frelinghuysen
Bishop (UT)	Crenshaw	Frost
Blackburn	Crowley	Galleghy
Blunt	Cubin	Garrett (NJ)
Boehrlert	Culberson	Gephardt
Boehner	Cunningham	Gerlach
Bonilla	Davis (AL)	Gibbons
Bonner	Davis (CA)	Gilchrist
Boozman	Davis (TN)	Gillmor
Boswell	Davis, Jo Ann	Gingrey
Boucher	Davis, Tom	Gonzalez
Bradley (NH)	Deal (GA)	Goode
Brady (TX)	DeFazio	Goodlatte
Brown (OH)	DeGette	Gordon
Brown (SC)	Delahunt	Goss
Brown, Corrine	DeLay	Granger
Brown-Waite,	Deutsch	Graves
Ginny	Diaz-Balart, L.	Green (WI)
Burgess	Diaz-Balart, M.	Gutknecht
Burns	Doggett	Hall
Burr	Dooley (CA)	Harman

NOT VOTING—8

Bono  
Boyd  
DeMint  
Filner  
Greenwood  
Matsui  
Solis  
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS) (during the vote). Members are

Harris	McCarthy (NY)	Ros-Lehtinen
Hart	McCotter	Ross
Hastings (WA)	McCrery	Royce
Hayes	McHugh	Ruppersberger
Hayworth	McInnis	Ryan (OH)
Hefley	McIntyre	Ryan (WI)
Hensarling	McKeon	Ryun (KS)
Herger	Meehan	Sanchez, Loretta
Hinojosa	Meek (FL)	Sanders
Hobson	Meeks (NY)	Sandlin
Hoefl	Mica	Saxton
Hoekstra	Michaud	Schiff
Holden	Millender-	Schrock
Hooley (OR)	McDonald	Scott (GA)
Hostettler	Miller (FL)	Sensenbrenner
Houghton	Miller (MI)	Sessions
Hulshof	Miller (NC)	Shadegg
Hunter	Miller, Gary	Shaw
Hyde	Miller, George	Shays
Isakson	Moore	Sherwood
Israel	Moran (KS)	Shimkus
Issa	Moran (VA)	Shuster
Istook	Murphy	Simmons
Jefferson	Musgrave	Simpson
Jenkins	Myrick	Skelton
John	Nadler	Slaughter
Johnson (CT)	Nethercutt	Smith (MI)
Johnson (IL)	Neugebauer	Smith (NJ)
Johnson, E. B.	Ney	Smith (TX)
Johnson, Sam	Northup	Snyder
Jones (NC)	Norwood	Souder
Jones (OH)	Nunes	Stearns
Kaptur	Nussle	Strickland
Keller	Osborne	Stupak
Kelly	Ose	Sullivan
Kennedy (MN)	Otter	Sweeney
Kennedy (RI)	Owens	Tancredo
Kildee	Oxley	Tanner
Kind	Pascarell	Tauscher
King (IA)	Paul	Taylor (NC)
King (NY)	Pearce	Terry
Kingston	Pence	Thomas
Kirk	Peterson (MN)	Thompson (MS)
Klecza	Peterson (PA)	Thornberry
Kline	Petri	Tiahrt
Knollenberg	Pickering	Tiberi
Kolbe	Pitts	Toomey
LaHood	Platts	Turner (OH)
Lampson	Pombo	Udall (CO)
Langevin	Pomeroy	Upton
Lantos	Porter	Van Hollen
Latham	Portman	Vitter
LaTourette	Price (NC)	Walden (OR)
Leach	Pryce (OH)	Walsh
Lewis (CA)	Putnam	Wamp
Lewis (KY)	Quinn	Weiner
Linder	Radanovich	Weldon (FL)
Lipinski	Rahall	Weldon (PA)
LoBiondo	Ramstad	Weller
Lofgren	Regula	Whitfield
Lowey	Rehberg	Wicker
Lucas (KY)	Renzi	Wilson (NM)
Lucas (OK)	Reyes	Wilson (SC)
Lynch	Reynolds	Wolfe
Majette	Rodriguez	Wu
Maloney	Rogers (AL)	Wynn
Manzullo	Rogers (KY)	Young (AK)
Marshall	Rogers (MI)	Young (FL)
Matheson	Rohrabacher	

## NAYS—89

Abercrombie	Hill	Oliver
Andrews	Hinchey	Ortiz
Baird	Holt	Pallone
Becerra	Hoyer	Pastor
Berman	Inslee	Payne
Berry	Jackson (IL)	Pelosi
Blumenauer	Kanjorski	Rangel
Brady (PA)	Kilpatrick	Rothman
Capps	Kucinich	Roybal-Allard
Capuano	Larsen (WA)	Rush
Carson (IN)	Larson (CT)	Sabo
Case	Lee	Sánchez, Linda
Clyburn	Levin	T.
Conyers	Lewis (GA)	Schakowsky
Cooper	Markey	Scott (VA)
Davis (FL)	Matsui	Serrano
Davis (IL)	McCarthy (MO)	Sherman
DeLauro	McCollum	Smith (WA)
Dicks	McDermott	Spratt
Dingell	McGovern	Stark
Doyle	McNulty	Stenholm
Emanuel	Menendez	Taylor (MS)
Fattah	Mollohan	Thompson (CA)
Frank (MA)	Murtha	Tierney
Green (TX)	Napolitano	Towns
Grijalva	Neal (MA)	Turner (TX)
Gutierrez	Oberstar	Udall (NM)
Hastings (FL)	Obey	Velázquez

Visclosky	Watt	Wexler
Watson	Waxman	Woolsey

## NOT VOTING—11

Bono	Greenwood	Tauzin
Boyd	Honda	Waters
Cummings	Jackson-Lee	
DeMint	(TX)	
Filner	Solis	

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1442

Mr. GEORGE MILLER of California changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall No. 144, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted "yea."

Mr. HONDA. Mr. Speaker, on rollcall No. 144, had I been present, I would have voted "yea."

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 144 on final passage on H.R. 4227, I was unavoidably detained. Had I been present, I would have voted "No."

## PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, on rollcall vote No. 144, I was unavoidably detained in a meeting with the Secretary of State. If I had been present, I would have voted "no."

## GENERAL LEAVE

Mr. ENGLISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of the bill, H.R. 4227, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## MOTION TO INSTRUCT CONFEREES ON S. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. MOORE. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the motion.

The Clerk read as follows:

Mr. MOORE of Kansas moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the concurrent resolution S. Con. Res. 95 be instructed to agree to the pay-as-you-go enforcement provisions within the scope of the conference regarding direct spending increases and tax cuts in the House and Senate. In complying with this instruction, such managers shall be instructed to recede to the

Senate on the provisions contained in section 408 of the Senate concurrent resolution (relating to the pay-as-you-go point of order regarding all legislation increasing the deficit as a result of direct spending increases and tax cuts).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kansas (Mr. MOORE) and the gentleman from Pennsylvania (Mr. TOOMEY) each will control 30 minutes.

The Chair recognizes the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have in this country a \$7.1 trillion national debt. We have a projected deficit by the Office of Management and Budget for this year alone of \$521 billion. The interest on our national debt, \$7.1 trillion, is almost \$1 billion a day. We are in a hole, Mr. Speaker, and we are digging the hole deeper and deeper by our lack of fiscal responsibility.

American families live by three simple rules: Number one, do not spend more money than they make; number two, pay off their debts; and, number three, invest in basics in the future. The basics for an American family are food, shelter, transportation, health care, education, things that we write checks for, bills that we write checks for, every month. And the same basics for our country, our national defense, some sort of Social Security system, some sort of national highway system to transport goods around this country and keep our economy going. And yet the government, our government and our Congress, has not lived by these rules that American families lived by for many years, and to show for that we have a \$7.1 trillion debt.

We need to get back to fiscal responsibility. We have an opportunity to do that. We have done it before and we should do it again. I am not playing partisan politics here. I do not blame President Bush for a slowdown and the recession that happened. I do not blame President Bush certainly for September 11. That was only the maniacs that created that horrible problem and killed 3,000 Americans. But we have got to get back to fiscal responsibilities here, and we are not doing it right now. In fact, the Committee on the Budget, and I see the chairman over here, passed a PAYGO rule requiring only that if we are going to have a new spending proposal, we have to abide by the rule that says it has got to be offset or paid for.

They did not apply the same rule, though, to tax cuts. The Senate, on a bipartisan basis, did apply the rule to tax cuts and to spending proposals, and I think we need to look at doing the same thing here. And this is a motion to instruct conferees to institute that kind of PAYGO procedure here.

□ 1445

If we do that, Mr. Speaker, we have an opportunity as a Nation to return to fiscal responsibility.

Mr. Speaker, I reserve the balance of my time.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I look forward to this discussion and disputing the central premise, I think, of the motion offered by the gentleman from Kansas, which seems to be that new spending is somehow equivalent to the American people with lowering the tax burden. I want to get into that in a little bit because these two ideas are not equivalent.

They are certainly not equivalent in terms of their impact on the economy. New spending is contrary to maximizing economic growth, while tax cuts reduce it.

Mr. Speaker, before I do that, I yield such time as he may consume to the gentleman from Iowa (Mr. NUSSLE), the distinguished chairman of the Committee on the Budget, for his thoughts on this.

Mr. NUSSLE. Mr. Speaker, I am perplexed. The gentleman who offers the motion to instruct conferees says, gee, it would be nice if we had a rule that tax cuts had to be paid for. Well, that is not what the instruction says. The instruction says they should. It is not a, gee, it would be nice. The gentleman just voted for a tax cut that was not offset, was not paid for. In fact, he joined 109 Democratic colleagues who voted not to pay for tax cuts.

In fact, what is even more interesting is that the same gentleman, and I respect his position, because it is how I voted, so it is hard to complain when somebody joins you on a vote, I do not mean it that way, voted just last week with 101 other colleagues for the marriage penalty relief, without offsetting pay-as-you-go requirements.

So on the one hand, the gentleman is saying we ought to have a rule, we ought to have a rule around here that you pay for things. It is important to do that, because we are in a hole and you ought to stop digging.

I understand. We have heard that rhetoric a lot. Except, he says, do not apply it to me, is what the gentleman is saying. Instruct everybody else for other tax bills, but not the one I just voted for this week, or not the one I voted for last week. Let us have a pay-as-you-go rule, but let us not apply it to us right now because it is kind of politically popular to vote for this.

The difference is that on our side of the aisle we know and we agree with the gentleman that tax cuts often pay for themselves in a way that stimulates the economy, stimulates growth, puts people back to work, generates economic growth and development, and drives revenues into the Treasury to the tune of, this year, what we know already from what CBO says, is about \$200 billion more revenue. Even with tax reduction, even with those tax cuts, \$200 billion is what CBO estimates now. Just yesterday, in *The Washington Post*, it was revealed that that number is only going up, is what we are hearing.

So on the one hand, just 5 minutes ago the gentleman voted for tax relief

without paying for it and now rushes to the floor with a rule that says but from now on and for everybody else, it is fair to, quote-unquote, pay for tax cuts.

I think we should be consistent; and just like in the past, we should consistently say that in this instance we should not tie our hands when it comes to creating jobs, when it comes to making sure that married people are not penalized, when it comes to not raising taxes on families with children, when it comes to AMT relief that people are being hit with now, this alternative minimum tax, that we should provide that kind of relief, and we should do it in a way that does the job now and gets the economy going, as opposed to putting some arbitrary rule on, which I would argue if you vote 5 minutes ago one way, and then come back here and say, well, really I did not mean that, which vote do you not mean? Is it the vote for tax relief, or is it the vote for the rule?

So I would hope that people do not tie our hands when it comes to this, what is called pay-as-you-go. When it comes to taxes, I have said it before and I will say it again, you may think the government pays for taxes. The only people in America who pay for taxes are taxpayers, and they are the people who deserve the relief, and what you are trying to do is cause automatic tax increases for this country by tying hands and by putting arbitrary rules in, and I do not believe that is the right thing to do for this economy. It is finally back on its feet, it is finally creating jobs, and we need to make sure that continues.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, to respond to the chairman, the gentleman talks fiscal responsibility, but does not vote it. I am following the rules that are in place right now, and I am proposing that this body change the rules and practice fiscal responsibility and not just talk about it. We have got to get back to that.

What the gentleman neglected to mention is we have the highest national debt in our Nation's history. What the gentleman neglected to mention is we have the highest deficit in any one year in our Nation's history. We are mortgaging the future of our children and grandchildren, and it has got to stop.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman for yielding me time and for his bringing this measure before this House for a vote.

Mr. Speaker, I rise today in support of the motion offered by the gentleman from Kansas (Mr. MOORE) which would require the budget conferees to include the pay-as-you-go provisions, budgets enforcement provisions, in the final budget bill.

Ten years ago, our colleagues across the aisle made a contract with Amer-

ica. One of the first principles they promised to instill in this Congress was a requirement that all laws that apply to the rest of the country would also apply equally to the Congress.

Well, the truth is, American families are required by law to pay their bills; yet in Congress we do not require the same thing of our own institution, and that is wrong.

One of the previous speakers said that we are trying to tie the hands of Congress so we can automatically bring about tax increases. That is absolutely not true. All this measure says is, if we pass a bill, we should pay for that bill.

The House budget resolution for 2005 was passed on a straight party line vote; but it was the alternative, with the strongest budget enforcement provisions, the Blue Dog budget, that got the bipartisan support.

Budget enforcement received bipartisan support not only in the House, but in the Senate also. They passed an amendment extending pay-as-you-go rules to both revenue and spending measures with the support of a bipartisan majority. Common ground, bipartisan ground can be found on the issue of budget enforcement.

If we are really going to reduce the deficit, bipartisanship is a must. It does not matter if it is an increase in spending or a reduction in revenue. If it is important enough for this House to pass it as law, by golly, we should pay for it. That is what this motion to instruct says. The motion is to instruct the conferees to agree to the Senate pay-as-you-go provision, which requires the Congress to find a way to pay for new spending or new tax cuts.

Members of the Blue Dog Coalition have been calling for the reinstatement of pay-as-you-go on both revenue and spending since the Budget Enforcement Act expired in 2002. And it is not a partisan concept. From the original pay-as-you-go provision, it was brought about by bipartisanship. It was an agreement between the first President Bush and a Democratic Congress. A Democratic President and Congress extended pay-as-you-go in 1993, and a Democratic President and a Republican Congress extended it again in 1997, along with \$100 billion worth of tax cuts.

Today we can send a clear message from the Congress that we will hold ourselves to the same standards as we hold American families. Vote "yes" on this motion to instruct and reintroduce fiscal responsibility to this House and to the American taxpayers.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to respond to one of the points just made by the gentleman from California. This is pretty close to being a direct quote as I heard him say it, and it was pertaining to this deficit. I think what the gentleman said was it does not matter if it is a decrease in revenue, which is to say a tax cut, or an increase in spending; either way, we have to offset it.



I am here to say that that is just not right. It does matter. It makes a difference. It makes a big difference. I am going to finish my point, because I think it makes a big difference in terms of the economic growth of our economy, and that means the opportunity for Americans, and that means prosperity and ultimately the quality of life of the working people.

Look at the data that we have. After we passed a tax cut package, look at what has happened. We have had a 2-decade high point in terms of GDP growth. The economy grew at 6 percent in the second half of last year; it is growing very strongly this year. This is the best economic growth numbers we have had in 20 years. Housing starts are at a record high. Homeownership, a record high number of Americans own their own home today.

We have financial markets that have made huge gains, which generally have been a good predictor of economic growth. The manufacturing sector, which has undergone a very difficult time, has, by all accounts and all objective data, turned around, is showing growth, is actually hiring.

Speaking of hiring, we have strong new job growth now. We waited a long time, because we know that job growth is always the last part to come in during an economic recovery. But it really looks like the job growth is happening now. Whether you are looking at the household survey or whether you are looking at the payroll survey, the job growth is strong. In March, we had 308,000 new jobs, and on Friday we are going to get a number for April; and it looks like we are going to have another strong month for job growth.

What this means is we are approaching a period now of sustainable economic recovery. When new people are getting to work and being able to generate their own incomes, now the economy starts to be able to grow of its own. This has happened because we lowered the tax burden.

If we go and pass this provision that you guys are advocating, it almost certainly means a big tax increase, and I am very concerned that this would cut off this economic recovery we have under way, and that is the last thing we should be doing.

The problem that we have, we have got a problem here, no question about it. We have a deficit that is too big, there is no question about it. But the problem has come from years of excessive spending. It is not that we do not bring in enough revenue. In fact, as we all probably know, recent numbers suggest that revenue growth is growing and it is accelerating, which is not surprising, given the strong economy we have today, the strength that is developing; but it is spending that has been the problem.

Now when we offered a PAYGO provision that would require that we offset any new spending proposals, you guys all voted against it. You guys said no, no, we do not want to just offset spending.

The point I am trying to make here is that new spending and lowering the tax burden, and in fact maintaining existing tax law, because that is what we are talking about now, these are not equivalent.

Mr. THOMPSON of California. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from California.

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman for yielding.

The point is if it is important enough to pass, it is important enough to pay for. The record deficit and the record debt, \$7 trillion worth of debt, on mark to go up to \$10.4 trillion in the next 5 years, that is the difference between revenue and spending. It is not the difference between spending. If we believe this is important enough to tax, we should pay for whatever it is we pass.

Mr. TOOMEY. Mr. Speaker, reclaiming my time, the gentleman is not recognizing we have had a growth in revenue, despite lower tax rates. This is what happens when the economy grows strongly. And the most important thing here, it is very important that we get the deficit under control and reduce the debt, but the most important thing is we have a strong economy, and everybody who wants a job is able to get a job and that wages are rising and people are having more and more opportunities.

If we do that, and control spending, which we are trying to do which this budget, which, again, my colleagues on the other side of the aisle did not agree with, but it is a budget which for the first time I am aware of in a very long time, we took the nonsecurity parts of discretionary spending and decided to freeze it.

We said we are going to freeze this, because I think that is what you need to do to get this spending under control so we can get this deficit under control. I think we are heading in the right direction if we can have the discipline on the spending side.

We should not be advocating a provision, which the gentleman from Kansas is introducing, which almost guarantees a big tax increase right at the time when our economy seems to be recovering strongly.

Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time. I have a prepared statement. I am not going to give it.

Perhaps the gentleman from Pennsylvania (Mr. TOOMEY) and perhaps the gentleman from Iowa (Mr. NUSSLE) believe if you say something enough, somebody will believe it.

I refer the gentleman from Pennsylvania (Mr. TOOMEY) to page 22 of the administration's budget document on receipts. For 8 years under Clinton, receipts went up. After we passed the 1993

bill, the economy went up and deficits went down. However, for the 12 years of Reagan and Bush, deficits went up, and under this administration, deficits have soared. And I would say to the gentleman from Pennsylvania (Mr. TOOMEY), check out page 22. Receipts have gone down, my friend. Down.

□ 1500

Starting with 2000, \$2.25 trillion; 2001, \$1.9 trillion. Mr. Speaker, I would say to the gentleman from Pennsylvania (Mr. TOOMEY), he is not listening to these figures. I know he wants to know the truth. I know he wants to know the facts. I am trying to give them to him so he will not misstate again. I want him to hear these facts, and then he can respond. This is the administration's book, not mine.

I will give them to the gentleman again. In 2000, \$2.25 trillion; 2001 \$1.9 trillion; 2002, 1.8 trillion; 2003, 1.7 trillion.

So to not tell us and the American public that resources are going up, they are not. This graph reflects what the Republican budget book says.

Now, with respect to spending, I say to my friend, we are spending less on discretionary spending than we spent in 1962 of GDP. But you all talk about that. Why? Because it is easy to talk about that. It is 17 percent of the budget; you do not talk about the other 83 percent.

What the gentleman from Kansas is saying, I say to my colleagues, is do not pass these tax cuts for which there is no money to give anybody. You are taking it from Social Security. You are taking it from Medicare. And, more importantly, I will tell my colleagues who is going to pay for these tax cuts: my children, my grandchildren, and the generations yet to come. That is not only intellectually wrong, it is an immoral fiscal policy.

Mr. Speaker, if the vote on this motion to instruct budget conferees is anything like the first one on March 30, then someone should summon the house physician because there may be some very sore arms on the Republican side of the aisle.

Certainly, we remember that five-minute vote? The Republican leadership held it open for 28 minutes so that it could (quote/unquote) persuade eight Republicans to change their votes from yes to no, and defeat the motion on a tie vote.

As David Broder, the syndicated columnist, pointed out (and I quote):

Clearly, on a free vote of conscience, narrow majorities in both the House and Senate would be prepared to impose this degree of self-discipline [meaning pay-as-you-go budget rules].

The simple fact is, Mr. Speaker, the Office of Management and Budget projects that our Nation will run a record budget deficit of \$521 billion this year. That figure does not include the costs of fighting wars in Iraq and Afghanistan, an estimated \$50 billion to \$75 billion.

The 10-year budget surplus of \$5.6 trillion that George W. Bush inherited when he took office has been turned into a projected deficit of more than \$4 trillion in just 3 short years.

And now, our Republican friends want to drive us even deeper into debt with tax cuts that are not paid for.

Perhaps Mr. NUSSLE, the chairman of the Budget Committee, summed up the Republican philosophy best. In March, he said (and I quote):

We don't believe that you should have to pay for tax cuts.

Well, my Republican friends, you don't. But our children and grandchildren surely will.

That's why the list of those supporting pay-as-you-go rules includes, among others, House Democrats, a bipartisan majority of the Senate, Federal Reserve Chairman Greenspan, the Concord Coalition, the Committee for Economic Development, and the Committee For a Responsible Federal Budget.

Republicans have not always believed that tax cuts are sacrosanct.

In fact, the majority leader himself even said in 1997 of Jack Kemp, a former member of this body (and I quote):

Jack Kemp worships at the altar of tax cuts. Jack has always said that deficits don't matter. We think that deficits do matter.

Mr. Speaker, PAYGO rules will not preclude tax cuts.

They simply recognize that, with a fiscal crisis looming, it is irresponsible—indeed immoral—to force the next generation to pay our bills.

I urge my colleagues to support this motion.

Mr. TOOMEY. Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, it is truly amazing when we come to the floor and have this debate over and over and over again. We are fighting a war today, and I believe I would be factually correct to say this is the first war we have fought by reducing the amount of revenue.

I suggest our troops are paying dearly for that, because as we all know, they have not received that which they need in order to protect themselves while they are doing for us what we are unwilling to do for them.

This is a pretty straightforward amendment; and despite the gentleman from Pennsylvania (Mr. TOOMEY), despite the gentleman from Iowa (Chairman NUSSLE) and all of his rhetoric, nobody is talking about raising taxes. That is just rhetoric that will be used in campaign slogans.

All we are saying is, if we are going to cut taxes and reduce the amount of revenue to pay for the war, we have to provide either cuts in spending, which we do, in spite of the fact, all of what you talk about never happens because spending has gone up, up, and up since Republicans took over this House, and how you can stand on the floor and keep lecturing Democrats on spending, you have no conscience.

Mr. TOOMEY. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I would be happy to yield to the gentleman from Pennsylvania.

Mr. TOOMEY. First of all, Mr. Speaker, I have introduced a budget

that had lower spending and lower deficits even than the one that we passed, the Republican one. I do not know of any Democrat that voted for my alternative budget.

Mr. STENHOLM. Mr. Speaker, reclaiming my time, that is great rhetoric, and I will yield again, but I want to respond to that. The gentleman from Pennsylvania put a budget out. How many votes did the gentleman get for his budget?

Mr. TOOMEY. Mr. Speaker, we got just under half the Republican caucus on it, about 100, maybe 110.

Mr. STENHOLM. Mr. Speaker, that is the problem. I can put a budget out too.

Mr. TOOMEY. Mr. Speaker, if the gentleman will yield, how did the gentleman from Texas (Mr. STENHOLM) vote on it?

Mr. STENHOLM. On your budget, I opposed it, because it increased the deficit.

Mr. TOOMEY. It increased it much less than your budget did. It got us back to a balance much sooner than your budget or any other budget, and you voted "no." You voted "no."

Mr. STENHOLM. You could not pass it.

I take back my time. I take back my time. Yes, it is great. You can come out, but the problem that comes out today is we have to live under the rules of the majority party. And for years I was criticized by the gentleman's side because it was my party that was doing to the economy what you said we were doing. Today, you are in charge; and no matter how many times you say it, you cannot overcome the facts. Republicans have spent more in the Reagan-Bush years, in the Bush years than we did in the Clinton years. You have spent more, period, and that record stands up.

All we are talking about today is a simple resolution saying, let us put us all under the gun. If you put your budget on the floor under pay-as-you-go, I will have to vote for it, if it is under pay-as-you-go, because I am sincerely for it. I did not vote for the last tax cut because it is with borrowed money on my children and grandchildren. I did not vote for last week's tax cut because it is with borrowed money; and I will not vote for the additional tax cuts with borrowed money on my children and grandchildren's money. But your rhetoric and mine should match. Where is the mismatch?

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

A couple of points I would like to make. One, to follow up on some comments made by the gentleman from Maryland, first of all, history has proven time and time again when we have cut taxes, we have ended up with increasing revenue. The gentleman from Maryland cited the Reagan administration. The fact is, within a decade of the big Reagan tax cuts, revenue collected by the Federal Government, tax revenue had about doubled. The problem

was that expenditures tripled, and this reinforces my point that the problem here is spending. The problem is not that we are undertaxed.

The second point that I want to make, the gentleman from Maryland was referring to declining revenues in the height of the economic slowdown. I do not think anybody disputes that if the economy is in a recession, when the economy is contracting, revenue decreases. That is true. That is what happens when you have, especially a combination of a contracting economy, and then you have the cost of a war, it is not surprising that you have a deficit under those circumstances.

The final point I want to make, to suggest that this provision does not amount to the equivalent of a tax increase I think is just factually wrong. We all know that we have provisions in the current tax law that are expiring very soon; and if we do not allow those to become permanent, then we have a big tax increase coming. And if this provision were to be adopted and become binding on Congress, then it is almost assured that we are going to have a significant tax increase.

Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I got up to my office, and I heard the comments of the gentleman from Pennsylvania. The gentleman from Pennsylvania (Mr. TOOMEY) and the gentleman from Iowa (Mr. NUSSLE) both said not the perspective you thought revenues were going to increase, but that they had increased. That was not accurate. That was my point, and I think your review of the book indicates that I was accurate.

Mr. TOOMEY. Mr. Speaker, if I could just respond to that.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Kansas has the time.

Mr. MOORE. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I would like to thank my colleague, the gentleman from Kansas (Mr. MOORE), for yielding me this time.

What we have here is what never has been tried in history. We are waging three wars with three tax cuts that have resulted in \$500 billion of annual deficits and a \$3 trillion increase in the debt.

What has passed here in the year 2001, 2002 and 2003 are record tax cuts for the special interests that have produced record deficits and record national debt. There is an economic program here that basically we followed in the 1990s.

In 1993 we cut taxes and reduced the deficit. In 1997 we cut taxes for middle-class families and balanced the budget while investing in children's health care, the environment, and also in job training and education, higher education access. We threw that book out

that led to record job growth of 22 million jobs, a decrease in poverty, an expansion of the middle class, incomes going up for all people. And now what we have is record deficits and record debt, all because we followed an economic strategy that threw out the book of putting our fiscal house in order, investing in the priorities of tax cuts for middle-class families, and investing in the areas of education and health care.

What do we have to show for it? We have \$500 billion in annual deficit. We have a record deficit while the economy is growing. You all have said if the economy grows, the deficit will disappear. Well, the economy is growing and we have record deficits. Why? Because your economic strategy lacks any logic to it. And that is you cannot follow and have three tax cuts and three wars at the same time and get any other result than the one we are getting today. And to repeat the same mistake and expect a different result is a sign of somebody who is not facing reality.

Today, what we need to do and what this proposal does is it begins to get us on a road of putting our fiscal house back in order and setting the priorities straight that if we want to invest in education, if we want to finance wars overseas, if we want to have tax cuts, we have to make sure that we live within a balanced set of priorities. We cannot leave to other generations and steal from Social Security and steal from Medicare to live today in bacchanalia and happy times. We have to put our fiscal house in order.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

The point I was making about the increase in revenue, and the gentleman from Maryland was disputing this, I think, my point is if you look at the last 6 months of this year, if you look back from October of 2003 through March of 2004 and you compare the same 6-month period to the year before, you will discover that we brought in more revenue to the Federal Treasury in this most recent 6-month period than we did in the last 6-month period. That is the point that the gentleman from Iowa (Chairman NUSSLE) and I have been making.

Revenue coming into the Federal Government is, in fact, growing, and it is at an accelerating pace; and I strongly suspect that the next quarter is going to show an increase over the corresponding quarter from the previous year. That is precisely because of the strong economic growth.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding.

I understand his analysis of the last 6 months; we have had a good growth in the last 6 months. Not as good, contrary to what the gentleman says, as we had in terms of the Clinton years,

because where we grew 23 million new jobs, we have still lost jobs. The gentleman pointed out we raised 300,000 jobs. As he knows, 100,000 of those were returning workers from the strikes around the country.

But the point I would make is that in 1993 when we adopted the Clinton economic program, Mr. Arme and the gentleman from Texas (Mr. DELAY), I cannot say the gentleman from Iowa (Mr. NUSSLE), but Mr. Kasich was then the chairman of the Committee on the Budget, they said that program was going to destroy America's economy, we would lose jobs, have high deficits and high unemployment and high interest rates. In fact, exactly the opposite happened, and we had the best economy we have had in the history of the country.

Mr. TOOMEY. Mr. Speaker, reclaiming my time, what happened was that immediately after that tax increase in 1993, economic growth was quite slow for some period of time; and then it accelerated, despite the tax increases.

But my point is, and I do not think the gentleman is disputing me now, that over the last 6 months we have had a revenue growth compared to the same 6-month period a year before, and all evidence and all trends suggest that this is going to continue. And what I think it demonstrates is, once again, lowering marginal tax rates and encouraging strong economic growth more than offsets the reduction in revenue that comes from the nominal loss that comes from the rates themselves.

Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILL).

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Speaker, I would like to thank the gentleman from Kansas for leading this discussion here this afternoon.

A few minutes ago on the floor of this House, I cast a vote against the AMT tax cut. Some would say that that was a foolish vote for me politically, do I not think so. I do not think it was a foolish vote politically, because I believe that the people of the Ninth District in southern Indiana believe that if it is tax cuts versus shoring up Social Security, if it is tax cuts versus paying down the debt, if it is tax cuts versus shoring up Medicare, if it is tax cuts or having foreign countries buy our paper to finance the debt, I think that they will pick fighting the war, shoring up Social Security, shoring up Medicare, making sure that not too many foreigners have our paper. They want to be fiscally responsible like many of the Members on this side of the aisle want to be. And the only way that can happen, I say to my colleagues, is for there to be PAYGO discipline in both spending and tax cuts.

Now, I was at the Joint Economic Committee meeting last week where

Alan Greenspan was at the meeting. I asked him, Mr. Chairman, do you believe that PAYGO rules ought to apply to tax cuts as well as spending? And his answer in his prolonged way that he answers was an unequivocal yes. There needs to be discipline in the Congress of the United States. PAYGO rules have worked in the past, they will work in the future, and it is the fiscally responsible thing to do.

One last thing that I would just like to remind my colleagues of on this side of the aisle. A quote from the majority leader on the Republican side, Dick Arme: "I am sitting here, and I am upset about the deficit. I am upset about spending. There is no way I can pin this on the Democrats. Republicans own the town now." Wise words, indeed.

Mr. TOOMEY. Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me this time. It is a shame we cannot have a longer, more substantive debate on this. The gentleman from Iowa (Mr. NUSSLE) got up and criticized the gentleman from Kansas (Mr. MOORE) for his inconsistency. He is for middle-class tax cuts, as I am; but he wants to pay for them. The gentleman from Iowa (Mr. NUSSLE) in 1997 voted for the Balanced Budget Amendment, as I did, which had exactly the same PAYGO as is included in the Moore motion to instruct.

Hear me, I say to the gentleman from Pennsylvania (Mr. TOOMEY). The gentleman from Iowa (Mr. NUSSLE) voted for exactly the same PAYGO as did 193 Republicans. Stick with your original convictions.

□ 1515

Mr. TOOMEY. Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Kansas (Mr. MOORE) has 14 minutes remaining.

Mr. MOORE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I rise today to express my strong support for the motion to instruct offered by the gentleman from Kansas (Mr. MOORE).

It is our duty as lawmakers and the voices of our constituents to demand a budget resolution that is fiscally responsible and meets the needs of our country. This motion a very simple motion would require that any increase in spending and tax cuts must be subjected to a pay-as-you-go rule.

As this country faces record deficits, increased spending on homeland security and the war in Iraq, now is the time for fiscal discipline. The Federal budget deficit is fast approaching \$500 billion and will only continue to grow. Unless we act now, our children and

our grandchildren will be paying for our fiscal irresponsibility.

Remember 1990 when America also struggled with record deficits. Congress faced the same choice that we do today. Ignore the realities of fiscal irresponsibility or confront it head on and resolve the problem. In 1990, the Democratic-controlled Congress made the responsible choice. It included PAYGO legislation as a part of 1990 budget agreement.

PAYGO was extended in 1993 and 1997 and was essential in restoring this country's economic health. The sky-high deficits of the late 1980s and early 1990s turned into substantial budget surpluses by the late 1990s. When this administration took office, there was nearly a \$400 billion surplus and a projected surplus of several trillion dollars.

Despite this success, the administration's irresponsible choice to allow the PAYGO rules to expire in 2002 has contributed to the record deficit we face today. The time to act is now, before our Nation slides further and further into debt. We must include PAYGO rules that apply to both spending and tax cuts in this year's budget resolution.

If I could add something personal. My husband is not only a Republican, he is a Heritage Foundation Republican, a fiscal conservative in our personal life; and he believes that this is outrageous. He is astounded that the Republican-controlled Congress is behaving in this irresponsible fiscal manner. He will not have it and neither will I.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to make sure everybody is very clear as we have this discussion that if this proposed provision were to become binding, the net effect is almost certainly a very, very major tax increase. All we are talking about is, what I want to do here is let us make sure we can maintain existing tax law.

What the gentleman from Kansas (Mr. MOORE) is proposing is that under existing law, unfortunately, taxes are scheduled to go up. If we prevent that by making sure we maintain the existing rate structure, the existing tax law, we would have to come up with these huge offsets, which we certainly are not going to get the votes over there to do that with spending cuts, so we would have to raise taxes somewhere else.

So the net effect is a huge tax increase. What are some of the things that are scheduled to expire, some of the problems that we would have if this were adopted? Well, we would find we would get the marriage penalty coming back in full force. We get the child tax credit that would be diminished dramatically. The increase in the size of the 10 percent bracket, that goes away. Small business expensing which has probably contributed significantly to this economic turn around. That goes away. Small businesses cannot expense

items the way they can under current law.

I think it is a bad idea when we have all the evidence suggesting we are well into a substantial and probably a sustainable economic recovery, why we would suddenly ratchet back up the taxes in the face of that and the fact that this has been a very successful tax policy, very successful in terms of turning this economy around and now in terms of getting people back to work, why we would want to undo all of that with a measure like this makes no sense to me.

Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman can say black is white until his face is blue, but it does not change the facts. You can talk about tax increases here. We are talking about fiscal responsibility and he is not. In fact, what he is doing and his policies would do is put our Nation deeper and deeper and deeper in debt.

Again, Mr. Speaker, we have the largest debt, \$7.1 trillion in our Nation's history. We have the largest 1-year deficit in our Nation's history, and the policies he is talking about, contrary to what Chairman Greenspan wants, will put our Nation in deeper debt and mortgage the future of our children and grandchildren.

I was at a high school last week and I talked to a group of high school students, government students, about this, and I said, Why should you care about a \$7.1 trillion debt? A girl raised her hand and she said, Because we are going to have to pay for it. And I said you get an A for today, and you should be angry about what folks in Congress are doing to you and your children and grandchildren because you are putting them in a hole they can never dig their way out of.

Mr. Speaker, I reserve the balance of my time.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to go back to this point because this is a very important point. We have created an environment, created a tax environment in which the economy can grow more rapidly and it is growing more rapidly. We have both CBO projections and the House budget resolution both forecast Federal receipts at \$35 billion more this year than last year, despite the fact that we cut taxes last year; and now the monthly Treasury data that is coming in this year shows, and I do not think anybody is disputing this, that, in fact, we probably low-balled that. The revenue was coming in at an even faster clip than the amount by which we thought it would exceed last year.

So the fact is we have got a deficit that is too big. We all acknowledge that. It is getting smaller. The revenue is coming in faster because the economy is growing. And if we get spending under control, we can solve this problem. But the right way to do it is not to raise taxes.

I know the gentleman from Kansas (Mr. MOORE) does not like the characterization of this. But the fact is we have got provisions in law that will result in a tax increase if we do not do something about it, and what your provision would do would prevent us from solving that problem that results in a tax increase.

Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what the gentleman has done is presided over policies that has created the greatest debt in our Nation's history and nothing he says can change that.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I know the gentleman from Pennsylvania (Mr. TOOMEY) did not deliberately attempt to misspeak to this body, but revenues in 2000 were \$2.025 trillion, revenues in 2003 were \$1.782 trillion; projected CBO for this year is the \$1.817 trillion. I understand that you are putting the best spin forward, on this year, it is going up, but look at what it has done under the policies that you continue to advocate.

What we are talking about is what Chairman Alan Greenspan would like to see us do; what the Concord Coalition would like to see us do: Put some fiscal responsibility into all our actions.

The gentleman keeps referring to the Reagan years. I was here. I helped pass the first Reagan tax cut. It did not work as was intended. It built up \$1.8 trillion of debt in 8 years. The Bush 41 built up another \$1.5 trillion of debt. In the 8 years of the Clinton administration debt went up \$1.4 trillion; and it is estimated under the Bush 43, debt will go up \$2.4 trillion. That is what we were suggesting doing something about. It is called fiscal responsibility. It is called living within your means. It is called making tough decisions.

Yes, there are tax cuts that grow the economy, but there are also tax cuts that increase the deficit. Let us make that decision, instead of just coming here and rhetorically talking about things that just are not so. With all due respect, it just is not so from the standpoint of the deficit coming down.

If you talk about spending, I just have to smile and get myself under control, every time I hear a Republican stand up on this floor and talk about spending, and I would yield to the gentleman to answer to a question, who has been in control of this House since 1994?

Mr. TOOMEY. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Pennsylvania.

Mr. TOOMEY. Mr. Speaker, I have been the first one to say that excessive spending is a bipartisan problem.

Mr. STENHOLM. Then if it is a bipartisan problem, that is what we are suggesting today is a bipartisan solution.

Mr. TOOMEY. With a tax increase. That is not a good solution.

Mr. STENHOLM. No, with all due respect, well, if you want to fight the war by shortchanging the troops in order that you can have your rhetorical answers on that, fine.

I will be happy to yield for a simple discourse, but every time you start that rhetoric that has put us into a \$2.4 trillion hole in 4 years.

Mr. TOOMEY. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Pennsylvania.

Mr. TOOMEY. First of all, I think the gentleman will acknowledge that Republicans have not short-changed our troops; that we have advocated and passed legislation that would provide the necessary resources; and we had a budget resolution that took the non-security portions of our budget and we froze that. We said, these areas that are not critical to American security should grow at zero.

Now, most if not all Members on the gentleman's side of the aisle, thought that that was somehow unreasonable, because we did not grow spending. So I do not think you can accuse us at this point of not dealing with this problem.

Mr. Speaker, if the gentleman would yield me some time.

Mr. Speaker, if not, I yield myself such time as I may consume.

Mr. Speaker, I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I agree with the gentleman. The short-changing of our troops is bipartisan. I am  $\frac{1}{435}$  of this body and anything we have not done, I accept my share of the blame for; but I am not in control. I am not in the majority. And the minority has been totally ignored on most of these issues, but I still have to take my responsibility for that action. And the fact is we have not done a real good job.

On the question of providing for spousal benefits for military retirees, we have a bill that has 300 cosponsors of and we cannot get it on the floor of the House in order to debate.

Mr. TOOMEY. Reclaiming my time, we are getting a little bit far afield from the discussion.

Mr. STENHOLM. We are talking about pay-as-you-go.

Mr. TOOMEY. We are getting a bit far afield.

I think one of the fundamental areas of disagreement that we have is the idea that my colleagues who offered the proposal, equate new spending with new tax relief, including maintaining existing tax law.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, that is not the intent of this amendment. It is not to get into taxes or spending. It is just to say to this body, we have to make a decision regarding how much more we borrow on our children and grandchildren.

Mr. TOOMEY. Reclaiming my time, but the mechanism by which you choose to make that decision is precisely this, it is to say that we have to treat, even maintaining existing tax law, as though it were equivalent to launching a new spending program because you want to impose the exact same mechanism on both those activities as though they are equivalent. And my point is they are not equivalent.

One, the new spending, leads to lower economic growth, lower productivity, fewer opportunities for American workers; and the other, maintaining this lower tax burden that we managed to pass in recent years, leads to stronger economic growth, more jobs, higher wages, and we are seeing it in the numbers. We are seeing that this economy has turned around. We are seeing the strength of this economy. We are seeing it producing new jobs. And, in fact, as the gentleman has acknowledged in recent months, we are even seeing a growth in revenue to the Federal Government. It is true.

It has not yet reached the level that it was at before the recession and before the war and before September 11. It will get there. It may take a little bit longer but the fact is revenue to the Federal government is growing. It is growing at an accelerating pace. But, frankly, that is not my highest priority in life. My highest priority, and what I think it should be here is, are we creating an environment where we create the maximum opportunity for Americans, the most job opportunities, the greatest chance for new businesses to flourish.

I know that is what the gentleman from Texas (Mr. STENHOLM) would like to see accomplished. I think we differ about how to get there. But I strongly believe that making it essentially impossible to maintain the existing tax law and instead having a higher tax regime does not get us there.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Texas.

Mr. STENHOLM. Because nothing in PAYGO precludes tax cuts, nothing does.

Mr. TOOMEY. They have to be offset with equal tax increases or spending cuts; is that correct?

Mr. STENHOLM. Right.

Mr. TOOMEY. Do you think that there are the votes anywhere in this Chamber to have spending cuts when the Democrats in this Chamber would not vote for a Republican budget?

Mr. STENHOLM. We did it in 1997. It was Democrats like me that stood up with Republicans and got it done.

Mr. TOOMEY. Reclaiming my time, I would be thrilled if you and your colleagues would vote with us on this budget resolution that freezes non-security spending, that just says let us hold it at last year's level because we really cannot afford more than that. But we never got the votes to do that.

Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would respond to the gentleman simply by saying that we have, on this side, coined a phrase called the debt tax, not the death tax, D-E-A-T-H, but the debt tax, D-E-B-T. And the debt tax is the interest we pay on our national debt and the debt tax is going up just as the deficits are going up and the debt is going up.

□ 1530

It is the policies of the gentleman across the aisle that are causing this to happen, and it has got to change. People in this country know in their hearts and they know right in their heads that we cannot give like this forever. We are the strongest Nation on the Earth. We are the freest Nation on the Earth, but we cannot be strong and free and broke, and that is the policy advocated by the gentleman from across the aisle.

That is going to happen if we keep going the way we are. Our Nation will end up owing so much money it will be financially unsustainable for our children and grandchildren. I do not want that to happen.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Pennsylvania (Mr. TOOMEY) has 9 minutes remaining, and the gentleman from Kansas (Mr. MOORE) has 7 minutes remaining. The gentleman from Kansas has the right to close.

Mr. TOOMEY. May I ask a question of the gentleman from Kansas. Does the gentleman have any additional speakers?

Mr. MOORE. Mr. Speaker, I am going to grant some additional time at the appropriate time to the gentleman from Texas (Mr. STENHOLM).

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

I would just make one additional point, and that is the point that has been made for us at our committee by CBO Director Crippin, and I think this is a very important one. When we look at how best to get our deficit under control, he makes the observation that a one-tenth of 1 percent increase in GDP growth accounts for about an additional quarter of a trillion dollars, \$250 billion, in additional Federal revenue over a 10-year period. This is why economic growth is so important.

The real reason it is mostly important is for the benefits that accrue to the American people who produce this growth; but if we want to figure out how do we get our budget house in order here, a strong economy gets us there. One-tenth of 1 percent, going from 4 percent growth to 4.1 percent growth, just that small difference amounts to an extra quarter of a trillion dollars in Federal revenue. If we can maximize economic growth and have some discipline on the spending side, we get this budget back to balance. We are moving in that direction,

and I think that is a direction we should stay in.

Mr. Speaker, I reserve the balance of my time.

Mr. MOORE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, 3 years ago is when this debate began and those of us that believed that we had a little better plan, we lost that battle; and today, we are still fighting the same battle we did 3 years ago. We were told if we instigated the tax cuts that we would balance the budget in 4 years. It did not work out quite that way. We cannot argue with the fact that the budget, that is somewhere out there in never-never land between the House and the Senate, includes an increasing of the debt ceiling, the amount which this country can borrow, to over \$8 trillion.

In the last 2½ years, we have borrowed \$1 trillion. In the next year and a half, we are going to borrow in excess of another \$1.5 trillion. We cannot escape that those are the facts. We all know the reason why.

This amendment today just suggests that this generation ought to be doing some of the paying rather than just blindly following a theory that does not work, the theory that we can balance the budget by cutting the amount of revenue when we are at war.

This is the first war in the history of our country that we have fought by cutting taxes, and the results are predictable. It is amazing. Most main-line economists agree with what we are talking about today, making it tough to raise spending, being very scrupulous on the manner in which we spend our taxpayer dollars, but also take a good, hard look at what we are leaving our children and grandchildren and take a good, hard look at who is buying our debt.

The Japanese will soon own over \$600 billion of our debt. The Chinese are at \$200 billion and going up rapidly; and if that does not bother my colleagues who is the banker of the United States, then continue to say, as some so-called conservatives continue to say, deficits do not matter as long as we are following the great game plan that has been totally rhetorized today by the gentleman from Pennsylvania (Mr. TOOMEY); and he does a good job, and I respect the fact he is sincere.

That is something that I can respect on this floor because he puts his money where his mouth is. The problem is there are not 218 Republicans that agree with him, but there are 218 Members of this body that would agree on pay-as-you-go and would get our fiscal house in order as we did in 1990 when Democrats were in control and a few of us voted with Republicans to put some fiscal order, and as we did in 1997 when Republicans could not pass their budget in 1997 without Democratic support, and I was there and I helped because I believed in that compromise legislation that then ultimately gave us the

economic growth and expansion that we saw in the 1990s.

Now, we are arguing a theory today, and I understand there are some that just cannot say, I was wrong, I did not make a mistake, I am perfect, everything we are doing we have just got to keep on plugging and we can send that debt to our children and grandchildren and look at them with a straight face. I have three grandsons, and I cannot do it; and that is why I will continue to say we will reach out the hand to the folks on the other side of the aisle, and we will work together to bring our fiscal house in order; but we cannot do it with the game plan that they are advocating.

Mr. TOOMEY. Mr. Speaker, I yield myself the balance of my time.

We have had a spirited debate here this afternoon about this, and I would simply close by reminding my colleagues that if we were to pass the provision that is proposed here, it would certainly result in very, very large tax increases in this year, next year, the following years of a very huge magnitude; and I am gravely concerned that the result of that would be to, at a minimum, diminish the growth of our economy and quite possibly even turn us down into an economic downturn, back from whence we came.

We are on the right path. The economy is growing. It is growing strongly. It is actually growing at a nearly record pace. We have job growth that has kicked in in a very impressive way, and that is the most important part of this; and that is really manifesting itself in recent months, likely to continue, likely to generate a self-sustaining momentum for the economy.

This is exactly what we should be trying to work for. It is the tax cut package that helped us get here. We have now seen so much economic growth that, as my colleagues on the other side have acknowledged, even in recent months and recent quarters, revenue collected by the Federal Government is growing. It is accelerating. That means if we stick to the budget resolution that we passed with votes on this side of the aisle alone, where we put a freeze on nonsecurity discretionary spending, if we maintain that spending discipline, while we continue to have the strong economic growth, we will, in fact, see a dramatic reduction in this deficit. That is what we should be working towards, maintaining the tax law, keeping the tax burden as low as we possibly can on the American people, with some spending restraint.

Again, we proposed that we freeze this nonsecurity spending, unfortunately. My colleagues on the other side would not go along with that freeze. That is the kind of discipline that will get our budget in order.

What we need to do is reject this proposal today, vote "no" on the motion of the gentleman from Kansas, and stick to some discipline on the spending side.

Mr. Speaker, I yield back the balance of my time.

Mr. MOORE. Mr. Speaker, I yield myself the balance of my time.

PAYGO, the PAYGO rule that we are proposing here today, does not stop new tax cuts. All it says is that if we are going to have a new tax cut, we have got to cut spending; and if he talks about discipline, he should practice what he preaches. If he talks about discipline, he should practice what he preaches; and if he wants a new tax cut, he should say here is how we are going to pay for it. If my colleague finds a way to do that, then I am all for the gentleman from Pennsylvania (Mr. TOOMEY), but he is not doing that. He is just talking and not practicing reality here.

I voted for the President's tax cut 3 years ago. We were in surplus mode at that time, but now we are in deficit mode. Now we are in deficit mode. We are no longer in surplus mode.

Chairman Alan Greenspan of the Federal Reserve Board has testified before the Committee on the Budget and the Committee on Financial Services, on which I serve; and he said consistently, if we are not in a fiscally responsible position when this economy takes off, interest rates could climb rather dramatically, and we should not let that happen. It could be devastating for business, for the real estate industry, for consumer borrowing, and for people in this country. Chairman Greenspan has said over and over, we should have budget enforcement rules, PAYGO rules, that apply not only to new spending but to tax cuts.

I understand the gentleman thinks he knows more than Mr. Greenspan, but I do not believe that is true. I do not believe that is true.

We are going to have soon an \$8 trillion national debt at 4 percent. The interest on that national debt will be \$320 billion a year. It is digging us deeper and deeper in this hole. If that interest rate went up to only 5 percent, it would add another \$80 billion, another tax increase; and that is what we are talking about here is the debt tax, the interest on our national debt.

They will put us, the policy advocated by the gentleman from Pennsylvania (Mr. TOOMEY), deeper and deeper in the hole; and the problem is, they do not want to pay for it now. They want to pass the bill to our children and grandchildren; and our children and grandchildren if they are watching television today and they have heard this debate, they should say, enough, we are not going to take that anymore; it is not fair; it is really not American.

We should end this today by saying common sense. If my colleagues want a tax cut, they have a new spending proposal, find a way to pay for it; and if they cannot do that, we will not do it because it is not fiscally responsible. It is not the right thing to do. It is not how American families live, and we are going to start living like American families.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. ADERHOLT). All time has expired.

Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Kansas (Mr. MOORE).

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. MOORE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today or tomorrow.

#### RECOGNIZING THE IMPORTANCE OF INCREASING AWARENESS OF AUTISM

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 605) recognizing the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, improving training and support for individuals with autism and those who care for individuals with autism, and for other purposes, as amended.

The Clerk read as follows:

##### H. RES. 605

Whereas the Autism Society of America, Cure Autism Now, the National Alliance for Autism Research, Unlocking Autism, and numerous other organizations commemorate April of each year as "National Autism Awareness Month";

Whereas autism is a developmental disorder that is typically diagnosed during the first three years of life, robbing individuals of their ability to communicate and interact with others;

Whereas autism affects an estimated 1 of every 166 children in the United States;

Whereas autism is four times more likely to be found in boys than in girls and can affect anyone, regardless of race, ethnicity, or other factors;

Whereas the cost of specialized treatment in a developmental center for individuals with autism is approximately \$80,000 per individual per year;

Whereas the cost of special education programs for school-aged children with autism is often more than \$30,000 per child per year;

Whereas the total cost nationally of caring for individuals with autism is estimated at more than \$90,000,000,000 per year; and

Whereas despite the fact that autism is one of the most common developmental disorders, many professionals in the medical and educational fields are still unaware of the best methods to diagnose and treat the disorder: Now, therefore, be it

Resolved, That the House of Representatives—

(1) supports the goals and ideals of "National Autism Awareness Month";

(2) recognizes and commends the parents and relatives of children with autism for their sacrifice and dedication in providing for the special needs of children with autism and for absorbing significant financial costs for specialized education and support services;

(3) supports aggressive research to determine the causes of autism, identify the best methods of early intervention and treatment, expand programs for individuals with autism across their lifespan, and promote understanding of the special needs of individuals with autism;

(4) commends the Department of Health and Human Services for implementing programs to study the epidemiology of autism and related disorders and advancing autism research at the Centers for Disease Control and Prevention and the National Institutes of Health;

(5) stresses the need to begin early intervention services soon after an individual has been diagnosed with autism, noting that early intervention strategies are the primary therapeutic options for individuals with autism and early intervention significantly improves outcomes for individuals with autism and can reduce the level of funding and services needed later in life;

(6) supports the Federal Government's commitment to provide States with part of the costs needed to educate children with disabilities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.);

(7) encourages more Americans to pursue the teaching profession and to be trained with the skills necessary to teach, assist, and respond to special needs students, including those students with autism; and

(8) recognizes the importance of worker training programs that meet the needs of developmentally disabled individuals, including those individuals with autism, and notes that people with autism can be, and are, productive members of the workforce if they are given appropriate support, training, and early intervention services.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

##### GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H. Res. 605, a resolution that recognizes the importance of increasing awareness of autism, supporting programs for increased research and im-

proved treatment of autism, and improving training and support for individuals with autism and those who care for individuals with autism.

Autism is a developmental disability that usually appears, unfortunately, in very young children. We all have friends who are experiencing the tragedy, and God knows it is a tragedy, of having a child diagnosed that is autistic. What that does to a family we can only try to imagine. The least that we can do is to encourage more research and awareness and education among all families.

The disease impacts the normal development of the brain that controls social interaction and communication skills. Autism is four times more prevalent in boys and knows no racial, ethnic, or social boundaries.

More than 500,000 people in the United States today have some form of autism, making it the third most common developmental disability. Many people are surprised to learn that autism is more common than Downs Syndrome.

While we are finding better ways to understand and work with autistic individuals, the disease is still greatly misunderstood. The majority of individuals, including health care professionals, are still unaware of how autism affects people and how to effectively work with the individuals with the disease.

However, some progress has been made. A few years ago, most people with autism were eventually placed in institutions. Today, even the most severely autistic disabled can be taught skills to assist their development due to the development of individualized services and programs.

We are all extremely concerned about this disease. This resolution stresses that early diagnosis and treatment are essential to ensuring a better quality of life for individuals with autism. However, early diagnosis and treatment can only occur with increased awareness, and that is much of what we try to do with this resolution; and that is why, Mr. Speaker, I urge all of my colleagues to support this good bipartisan legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 3 minutes.

I want to thank the gentleman from Massachusetts (Mr. TIERNEY) for his leadership on this critical and growing health problem, and I would like to thank my friend from Florida (Mr. BILIRAKIS), the chairman of the Subcommittee on Health, for his good work on this issue and on many others.

One of the more eye-opening meetings I have had in my 12 years in Congress was with the family of an autistic child. The first time I did that, it was sobering to listen to the mother and father talk about their son's diagnosis of autism, a disease about which the causes are disagreed and generally unknown. It is sobering to learn what



these caring parents deal with every working hour of every day, trying to carve out as normal a life as possible for their son, trying to break through emotional barriers, intellectual barriers, barriers they do not fully understand, barriers that no one really fully understands.

It is sobering to learn the steps that these parents take to improve their son's development: consulting with the developmental pediatrician; a child psychiatrist; a clinical psychologist and occupational psychologist and therapist; a physical therapist; a speech and language therapist; as well as often a social worker, if they have the wherewithal to be able to get the best they can for their son.

□ 1545

This family could. Many families in our health care system that does not cover many people so well do not. It is heartbreaking to know these parents get no help from health insurers, forcing them to spend thousands of dollars each year towards treatment that may improve their son's development or may not improve their son's development.

My home State of Ohio's families of autistic children have a tremendous resource in the Cleveland Clinic Center for Autism. This unique center provides specially designed services and support to children with autism, or while fostering research on autism, to gain a better understanding of its causes and its effective treatments.

But families throughout my State and throughout the Nation deserve similar support. The resolution we are considering today brings us closer to achieving that. The resolution raises awareness about the unique needs of autistic children through a number of avenues, a few of which I want to mention. Perhaps most importantly, the resolution recognizes the dedication of the parents and families of autistic children.

To the countless families in Ohio and around the country who care for autistic children, you demonstrate every day what it means to be outstanding parents.

The resolution also recognizes the important work the Centers for Disease Control in Atlanta does in studying the trends of autism throughout the country. It supports the critical need for early intervention in caring for an autistic child and the need to train teachers in addressing the needs of a growing population of autistic children in our schools.

The resolution supports Federal research into causes and treatments of autism at the National Institutes of Health. If this Congress is serious about the causes that we articulate so well in this resolution, we will be equally serious about providing adequate funding for the National Institutes of Health and the Centers For Disease Control, something the Republican majority continues to fall short

on because they want to do our tax cuts and choose to give tax breaks to millionaires instead of funding these public health programs that are essential to the well-being of families of children with autism and so many others rich and poor in this country alike.

Mr. Speaker, I urge my colleagues to support the resolution, and I thank the gentleman from Massachusetts (Mr. TIERNEY), the gentleman from Florida (Mr. BILIRAKIS), and the gentleman from Indiana (Mr. BURTON) for their work on this issue.

Mr. BILIRAKIS. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska (Mr. TERRY), a member of the Committee on Energy and Commerce.

Mr. TERRY. Mr. Speaker, I rise in strong support of H.R. 605. Frankly, I think there are probably many of us here who have personal testimonials. Everyone in Congress probably has friends who have a child who is autistic.

If one were to see Jacob Nolan Hirschfeld on the baseball diamond today, you might be impressed with his skills in playing our national pastime. Since his middle name was inspired by the great pitcher Nolan Ryan, you might also think his success on the field was destined. But Jacob's ability to play baseball and do everyday such things, such as attending school and playing with friends, was never guaranteed. Jacob Hirschfeld has been diagnosed with autism. He struggles with many of the issues common among the autistic. At 4 years of age, he could only speak in one syllable words. He was scared of loud noises and bright lights. He had many of the compulsions that are common with these children and was fearful of most people outside of his immediate family.

Jacob's father, Mark Hirschfeld, a friend of mine, has said "our family was literally a prisoner to autism." Jacob's diagnosis was devastating to his parents, but even more difficult was the fact that physicians, educators, and other professionals had little understanding of this complex disorder and what could be done to help children like Jacob. Stereotypes abounded. One physician told the Hirschfeld's that Jacob had no better chance than 1 in 10 of living outside of an institution. Jacob's mother, Nancy, recalls that one preschool initially turned away her son because of their fears of autism, but once they began to see Jacob as a person who had unique gifts as well as challenges, they accepted him.

Thankfully, the Hirschfeld family persevered and sought services to help their son. Their search led them to engage in intensive, early intervention therapy called Applied Behavior Analysis, or ABA, which has helped them dramatically. Early intervention has also made a difference in the lives of Patrick and Jean McDermott, with their son, Grant, who was diagnosed with autism when he was 22 months old.

Grant's mother Jean said, "It was devastating to hear the words 'diag-

nosis of autism' as parents of this beautiful child. My husband and I wondered what his future would hold. After the initial shock, we started researching what we could do to give him a brighter future." The McDermott's also chose the ADA early intervention therapy. Therapists worked with Grant about 35 hours a week teaching him basic and then more advanced skills. He is now a regular in school with no aides, and will be going to kindergarten this fall. His future is looking bright and the McDermott's believe he will have a full life, but it will always be a challenge having an autistic son until a cure can be found.

Autism now affects 1 out of every 166 children in the United States. Boys are 4 times more likely to have autism than girls. This developmental disorder robs individuals of their ability to communicate and interact with others. These are just some of the reasons why it is so necessary we get the word out about autism and support this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I thank the gentleman from Ohio, and all of the other Members who are speaking on and cosponsored this resolution.

As the gentleman from Nebraska (Mr. TERRY) indicated, there is story after story that we could talk about the particular circumstances of a family and how their family is impacted by autism. Autism is a brain disorder that typically effects an individual's social interaction and communication. There are, as the gentleman from Nebraska (Mr. TERRY) said, 1.5 million Americans today who are affected by autism spectrum disorder. This is not just one typical set of circumstances, but a whole spectrum of circumstances and consequences suffered by individuals and families.

Experts do not concur on the exact number of cases of autism spectrum disorder, but they agree autism is one of the fastest growing developmental disabilities in the United States. Spectrum disorders are considered the second most common developmental disorder that American children face today. And even so, many professionals, whether they are in the medical profession or the educational fields, are still unaware of best methods to diagnose or treat this particular disorder.

What we do know is that once a diagnosis is made, initiating early intervention services significantly improves the people with autism and can reduce the level of funding and services needed later in life. Ten years ago, the Center for Disease Control estimated that 1 in every 10,000 children were affected by autism. More recently, the number was refined to 1 in every 250. This year the CDC estimated that the occurrence of autism is closer to 1 in 166. We sent it back to CDC when we first got that number because we were astounded it

would be that high, but on reflection and review of their numbers, they said it was closer to 1 in 166.

Mr. Speaker, we have to commend families and parents and relatives of children with autism for their sacrifice and dedication in providing for those special needs. I have seen situations where parents are dealing 24 hours a day, 7 days a week, with a child with extreme autism.

In the subcommittee, so ably chaired by the gentleman from Indiana (Mr. BURTON), we have seen films of children with extreme autism. Some Members saw, for the first time, just how difficult it is to deal with autism and its consequences.

My niece teaches special education in the State of Massachusetts. There are other teachers who talk to me regularly about the special needs and circumstances of children in their classes, and tell me every year the number of children with autism in their classes seems to grow.

Autism does not discriminate by race or ethnicity, but it is four times more prevalent in males than females; and an estimated 50 children are diagnosed with autism every day. There is no known cure for autism, so it is imperative to learn why autism is reaching epidemic proportions across this country.

Children do not follow any typical pattern of child development. For some, hints of future problems appear at birth, in others it becomes more noticeable as children slip behind children of their own age. The condition can be improved through behavioral and well-structured educational programs in some instances. Educational service programs are offered by the number of organizations.

In my district, we are fortunate to have the North Shore ARC. We also have other programs of the May Foundation, May Center and Institute and the Shriver Center in Massachusetts. They deal with programs developed for children with autism spectrum disorder, providing a broad scope of services, support, advocacy, information, and referrals that are responsive to the needs of children with that disorder. It is thanks to their continuing efforts that some families are getting relief and support.

But Congress has to recognize the significant financial costs for the specialized education and support services. According to the Centers For Disease Control, the cost of specialized treatment in a developmental center for people with autism is approximately \$80,000 per individual per year. And the cost of special education programs for school-aged children with autism is often more than \$30,000 per individual per year. The cost nationally of caring for persons affected by autism is estimated at more than \$90 million a year. With these numbers in mind, Congress should fulfill the 30-year-old Federal commitment to provide States with part of the costs needed for education

of children with disabilities under the Individuals With Disabilities Education Act.

We can go further by making sure that the Centers For Disease Control and the National Institutes of Health have enough funding to find out the cause of this particular disease, to find how we might detect it earlier, treat it and prevent it.

Again, I commend and thank all of my colleagues for cosponsoring this resolution, for their hard work in making sure that we do the Federal share in finding some solutions.

□ 1600

Mr. BILIRAKIS. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. BURTON), who, along with the gentleman from Massachusetts (Mr. TIERNEY), is the author of this legislation.

Mr. BURTON of Indiana. Mr. Speaker, I want to thank the gentleman from Massachusetts for introducing this bill. He is a good buddy on the committee. I appreciate his concern over this issue.

My grandson became autistic 2 days after he received nine shots in one day, seven of which contained a substance called thimerosal, which is 50 percent mercury. We have gone from one in 10,000 children in this country that are autistic to now there is one in 166. As the gentleman from Massachusetts just said, it is four times more prevalent in boys than it is in young girls.

There are probably many causes of autism, but one of the causes of autism according to scientists and doctors that we have had before my committee from around the world is having the substance of mercury injected into children's bodies at a very, very young age. Mercury, we know, is a very toxic substance. It is one where if you have it spilled on the ground, they will evacuate the room until they get it cleaned up. Yet in most childhood vaccinations up until just recently, they had a substance in there called thimerosal which is a preservative, and it was 50 percent ethyl mercury. Children get as many as 30 shots before they start to grade school and mercury has a cumulative effect in the brain. It is no wonder in my opinion that we now have one in 166 children that are autistic where it used to be one in 10,000 just about 10 or 15 years ago.

We have to get mercury, as one of the causes of autism, out of all vaccinations for children. We have gotten it out of all of them but three, but we still have some of those vaccinations that are on the shelves that are being used by doctors that continue to use these vaccinations that have mercury in them.

I would just like to say to the CDC and the FDA today, we ought to get all those things off the shelves, all those vaccinations off the shelves that contain mercury so we can protect our children; and the three vaccinations that still contain ethyl mercury in the form of thimerosal, we need to get

those changed as quickly as possible and go to single-shot vials that do not require these preservatives.

I also want to say to my colleagues that are concerned not only about children but about adults, many, many of the adult vaccinations like the flu vaccine that we get every year to protect this population against the ravages of flu contain thimerosal or mercury. It should not be in any vaccination that human beings are getting. Mercury is toxic to the human body, and it should be taken away and should be eliminated. Our soldiers in the Persian Gulf, in Iraq, get as many as 11 shots in one day. Many of those shots contain thimerosal, which is 50 percent mercury. We need to get it out of there.

In addition to that, as this resolution states very clearly, and I thank the gentleman from Massachusetts for this, we need more research to find out all of the causes of autism so that the children that are coming into the world today are going to be protected in the years to come. The cost to the taxpayers, to this country, is huge. They estimate that there is \$90 billion in costs right now when you add up everything as far as the damages to the human beings in this country that are becoming autistic.

We have got a huge problem now, but down the road, these people are not going to die; they are going to grow old and live long lives. Somebody is going to have to take care of those who cannot take care of themselves. We need to find a cure for autism, and we need to get mercury out of all vaccines.

Mr. BILIRAKIS. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. Mr. Speaker, I thank the gentleman for yielding me this time, and I congratulate the gentleman from Massachusetts for this very important resolution that, as has been pointed out, does several things. It recognizes the importance of increasing awareness of this affliction, autism. It supports programs for increased research and improved treatment of autism. It improves training and support for individuals with autism.

But one of the causes that I believe is one of the most important ones is that it recognizes and commends the parents and relatives of children with autism for their sacrifice and dedication in providing for the special needs of children with autism and for absorbing significant financial costs for specialized education and support services.

As has been pointed out before, each one of us could probably be here on the floor with a personal story about how we know someone who has autism, a family that has been affected by this disease, this affliction; and I am no exception to that. My best friends, Charles Flick and Patience Plumer Flick, have three children, two of whom have autism. Bonnie, a teenager, is able to communicate both verbally and in written form. She is able to do

simple arithmetic. She is probably in the higher level of high-functioning autism disorder. However, her young brother, Willis, is not able to communicate, is not aware of his surroundings, makes no connection to those around him in a very direct way, nor is he able to communicate in any way, shape or form except for grunts and pointing at simple pictures.

It has been a great experience for the family, a great challenge, to have them deal with the special needs of these two children. It presents a special challenge as well to their oldest child, Penny Flick, who is a graduating senior from high school this year.

Autism affects not just the children, those individuals with autism; it affects and it impacts the entire family. It has been a blessing, I believe, for the Flick family to have children with autism because it has made them more aware of God's many blessings upon them and makes them cherish life all the more. I think that this clause in this resolution of the gentleman from Massachusetts is very poignant because it recognizes and commends the parents and the relatives of children with autism because they deserve a very special place in our society and in our community. Caregivers of people with special needs so often do not go noticed and are not given the attention that they deserve. It takes a special heart and a special family to cope with the daily challenges that autism gives to the families.

I commend the gentleman from Massachusetts for this resolution, and I congratulate the Flick family and everyone involved with Bonnie and Willis for their great care.

Mr. BILIRAKIS. Mr. Speaker, I yield 3¼ minutes to the gentleman from Pittsburgh, Pennsylvania (Mr. MURPHY) where I grew up.

Mr. MURPHY. Mr. Speaker, when I years ago worked as a psychologist at one of the hospitals in Pittsburgh, I was examining a newborn baby. As part of examining this baby, I looked to see how this baby responded to sounds and sights. Your average newborn baby when you have a light or something in the baby's eyes will turn toward it. If you hold the baby in front of you and the baby looks you in the eye, you can turn your head and that baby's eyes will turn with you.

There was one particular child that I remember holding and looking at. Every time I tried to get the baby's eyes to look at me, this infant would turn away and get distressed. Yet if I held an object or something before the baby, the baby would look. I made a note of that somewhere in my own charts. It was interesting that a few years later when this same child entered my office at age 3, the parents noted that this child did not seem to have emotional reactions to people, did not seem to respond to playing the same way other children do, did not seem to use words the same way. It was almost as if he could neither love nor

be loved. This child was an autistic child whom we identified early on as having some of those symptoms.

Autism is a biologically based, neurodevelopmental disease that causes severe impairments in their language, in their social interactions, as if there was this wall around them that they can neither love nor be loved. These are not children who are mentally retarded. Although some children may have other developmental delays, there are other children with autism who are very bright and high functioning. These are children who really tear at the hearts of families because they have so many troubles with them. In fact, it is impossible to really describe the tremendous burden that families have in raising an autistic child. They seem unreachable. They cannot interact with their parents. They cannot interact with their siblings in a loving way. The pain these families feel is indescribable. The enormous strain that these special children place on families cannot be quantified with numbers. The emotional chasm between the child and parents and loved ones oftentimes leads to unusually high divorce rates at a whole other level.

Sadly, existing treatments are expensive and less than optimally effective. There are behavioral treatments that help some children, but these treatments are far from a cure. I remember when I started practicing, we would learn patterns and strategies to work with autistic children only to find a few years later someone else said, that does not work, it was just another person's theory.

But there is hope. Thanks to new medical technology such as the decoding of the human genome, cures are achievable for children born with autism today. New biomedical treatments, such as secretin and immunotherapy, are providing hope that autistic children will not be condemned to live out their lives in emotional isolation. But these treatments can only be developed if biomedical research is funded, if behavioral research is funded, if social research to help the families is funded, if language therapy is funded.

Currently, autism research is providing remarkable advances, but there is still a great deal to be done and cures to be found. But for children like those I described, we are far from a cure. We need to learn, to teach, to help these children and help these families be able to speak the language of the heart that every parent would love to have with their child. As I said, we are far from a cure because we are so far, so far from knowing a cause.

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I want to commend the author of this resolution, my friend from Massachusetts, the ranking member and the chairman for bringing it forward. I

went through 4 years of medical school residency, internship, and never saw a case of autism. I came from a large family on both sides, my mother and father, and never saw a case of autism.

I was quite surprised when a physician friend of mine told me about 5 years ago, 6 years ago now, that his son had been diagnosed with autism. Then I discovered that Dan Marino had a son with autism; Doug Flutie, whose parents live in my district, had a son with autism. Then all I can say is the more I started looking into this, the more and more concerned I began to become. A disease that was virtually unheard of, estimated at one in 10,000. I met with people in California. They were coming up with estimates of one in 500, one in 600. I met with the CDC. I asked them what was going on. There was some controversy at the time 4 or 5 years ago because the diagnostic tools, the diagnostic and statistical manual had been changed such that maybe we were diagnosing more of it, but the incidence was not really up. Anyway, the CDC to its credit did the necessary research and concluded that the incidence of this disease had skyrocketed from being a rare, unheard of condition to one in 166, predominantly affecting boys.

What has been particularly concerning to me is reports that I was receiving. Unlike the description that the gentleman from Pennsylvania was offering of a child in the nursery, the baby that you take home that has autism that just never seemed right, we were getting more and more of these reports where my baby was speaking and now is no longer speaking, my baby was reacting and looking at me and is no longer reacting and looking at me. This is a very, very serious crisis. I think the previous speakers have been very eloquent in pointing out the huge costs to our society. I am very glad they brought this forward because it brings public attention to this issue, and it brings the attention of this body to this issue.

One of the main reasons why we need to try to address this and we need to move aggressively on this is that we have been battling Parkinson's disease and breast cancer and all of these terrible conditions for years and years, and we have a pretty good idea of what causes them. It is very hard to address the cause. We do not even know what causes this disease in these kids. We may discover that this condition is totally avoidable. We may discover that it is reversible. I am very pleased that the gentleman from Massachusetts put some language in there on early intervention services as children are diagnosed because what I am now hearing more and more is parents are saying, I got my kid in therapy or we did this or we did that and he is doing much, much better.

□ 1615

And previously, the attitude was there is nothing one can do for them

and it is basically almost like a terminal situation. Just institutionalization is all that can be done. And now, lo and behold, we are finding with early intervention these kids can become much more manageable. They can be taught. They can develop learning skills, reading, writing. So it is a much more positive outlook.

Regarding the issue that the gentleman from Indiana (Mr. BURTON) was bringing up about mercury in the vaccines, the implication there, I think the science is not really in on this. It is really inconclusive, but minimally what I think we need to do is what the gentlewoman from New York (Mrs. MALONEY) and myself are recommending, and that is get the mercury out of all the childhood vaccines. It is a toxic substance, and whether it is implicated or not in the autism, I think there is evidence to suggest it may be, that minimally we should not take any chances with little kids. We should not be exposing them unnecessarily to mercury. And therefore pass our legislation to get the mercury out.

Again, I congratulate the gentleman from Massachusetts on this. We need more research. And let me just close by saying NIH and CDC have significantly increased their funding. They have been responding. I think NIH funding for autism research is up four-fold in the last 6 years, and the Secretary and the folks at NIH need to be commended for that, and I certainly commend them. But we need to do more because we may discover ultimately in the end this is a preventable condition and that we can allow thousands of children the opportunity to escape ever being affected by the disease in the first place, and we obviously need to do more in terms of treating the kids that have it. I thank the chairman for yielding me the time.

Mr. BILIRAKIS. Mr. Speaker, I am very happy to have heard the gentleman's remarks. I know we all are.

Mr. MATHESON. Mr. Speaker, I am pleased to join my colleagues this afternoon speaking in favor of H. Res. 605. H. Res. 605 is an important step to raise national awareness about autism by designating the month of April as National Autism Month. In addition, H. Res. 605 recognizes the prevalence of autism, the need to support programs for research and treatment of autism, and the importance of improving training and support for individuals with autism and their caregivers.

Autism is a debilitating developmental disability affecting the ability of individuals to communicate and interact with others. It is estimated that 1 of every 166 children in the United States has an autism spectrum disorder. In my home state of Utah, it is estimated that 4 in every 10,000 children have autism spectrum disorders.

However, statistics on the prevalence of autism can be difficult to obtain. Registries are relatively new and voluntary, hindering the collection of this data. But, efforts to record the incidence of autism are an important step in raising awareness and unlocking this developmental disorder. Important efforts are being undertaken in Utah, through the Utah Registry

of Autism and Developmental Disabilities, to determine and monitor the number of children in Utah with autism. This identification process is an important first step in raising awareness, quantifying need, and creating the necessary networks to provide adequate support.

Autism is best treated when diagnosed early. Usually, diagnosis occurs within the first three years of life. Improving awareness does not just mean counting people, it means identifying children with autism early, by ensuring that primary care providers are aware of the signs of autism. Early identification can assist in earlier access to appropriate treatment for these children, and early intervention can improve the long-term outcomes.

In addition, expanding awareness is about training and services, both for children, their families, and their caregivers and educators. Too often children with autism do not receive the highly trained, skilled services that they need. Autism can overwhelm both the child and those who must care for them without adequate preparation or support. Improving professional development, support networks, and assistance available to the caregivers of individuals with autism is critical. It is necessary to adequately fund and support special education and train specialized teachers. It is also critical to recognize the potential that individuals with autism can have when provided with appropriate educational opportunities and employment training. With these on-going interventions and supports, individuals with autism can achieve their fullest potentials.

Finally, increasing awareness must involve greater focus on research related to autism. It must include research into causes, treatments, and even potential cures. Autism is a complex challenge that requires some of the best scientific and medical attention our nation has to offer. Federal support for research on autism has been growing, but additional efforts will be critical in finding the answers to the many questions that autism poses.

Mr. Speaker, in conclusion I want to recognize the courage and the commitment of the individuals, families, and professionals for whom autism is a reality of daily life. They are truly committed to caring and making progress, and I am happy to support them in this effort to increase the national awareness of autism.

Mr. KIND. Mr. Speaker, I rise in support of H. Res. 605, which recognizes the importance of increasing awareness of autism, advocates increased research, and pays tribute to those who care for individuals with autism.

More prevalent than Down syndrome, childhood cancer, and childhood diabetes combined, autism is a developmental disorder that is affecting a growing number of Americans. Studies show that one of every 250 babies born today will develop some form of autism. Individuals with autism face a wide array of biomedical and neurological difficulties, all of which result in a compromised immune system. The physical toll on children with autism is enormous, and the physical, emotional, and financial burden that parents of autistic children face is great. I have enormous respect for the parents, friends, and families of autistic children who sacrifice so much in order to care for their children.

Residents in my home state of Wisconsin are fortunate to have access to intensive in-home therapy with certified providers, and I applaud universities such as the University of

Wisconsin-Eau Claire, which is making great progress with its autism intervention program that trains students in autism behavior analysis and therapy. I believe we have a responsibility to aid colleges and universities that are doing such important work. I am also proud to be a member of the Congressional Coalition for Autism Research and Education, which seeks to educate members on the realities of autism and work to increase federal funding for autism research and services.

I have been fortunate during my years in Congress to meet with many parents of autistic children who continue to amaze me with the selfless work they do each day. Recently, I was able to spend some time at Willow River Elementary School in Hudson, Wisconsin, which has one of the highest rates of autistic children in the state. It was a pleasure to spend time with special education teachers who work so diligently with their students. The morning was a reminder of both the problems and promise autistic children have.

Mr. Speaker, we must work to better the situations of the children and families who live with autism on a daily basis. I commend Mr. TIERNEY and Mr. BURTON for offering this important resolution and am pleased to be an original cosponsor. I urge my colleagues to support this resolution.

Mr. LANGEVIN. Mr. Speaker, I rise today in strong support of H. Res. 605, which recognizes the importance of increasing awareness of autism. This resolution supports research on the treatment of autism, the improvement of training and support for individuals with autism and those who are for them.

As a member of the Congressional Coalition for Autism Research & Education, and the uncle of a little boy of autism, I am well acquainted with the issues faced by families of children with this disorder. I am struck by the rapid increase in the number of children diagnosed with autism in the last decade. While we have certainly made progress in assessment, diagnosis and treatment, there is room for improvement. We must commit ourselves to providing parents, pediatricians, early childhood educators and all those who have contact with very young children the resources and training to identify children who need help early enough to begin effective interventions. We must take advantage of ongoing data collection in the state and use it to construct better policies and programs to serve our children and families struggling with autism.

Like all children, those diagnosed with autism spectrum disorders are individuals with unique talents and abilities. Across the state, special education teachers, psychologists and others are working hard to bring these gifts and talents to light, and help these children realize their potential. We must recognize and support this honorable work through promoting research and resources dedicated to the study of autism. I urge my colleagues to vote in favor of H. Res. 605.

Mr. HOLT. Mr. Speaker, I rise today in support of H. Res. 605, a resolution recognizing the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, and improving training and support for individuals with autism and those who care for individuals with autism.

Even though autism is one of the most common developmental disorders affecting children, it is still poorly understood throughout

the medical community, producing great frustration among concerned parents. For reasons that are far from clear, children with autism often lack the normal means of communicating and interacting with others, making their transitions to adult society extraordinarily difficult.

Achieving a better understanding of autism will take time, money, and the dedication of researchers and volunteers across the country. That is why I call on my colleagues to support additional funding for autism research and surveillance activities performed by the Centers for Disease Control and the National Institutes of Health. It is also vital that we support the basic science research being performed at the National Science Foundation and other institutions, which provide the knowledge base for the more advanced health research performed by medical researchers.

One of the key questions that these researchers are trying to answer is the potential of a connection between environmental factors and the prevalence of developmental disorders like autism. That is why Representative SAXTON and I have formed the Children's Environmental Health Caucus, which will serve to educate members and staff here on the Hill about the latest scientific research into the impact of environmental factors on children's health. I hope my colleagues can join this caucus and work with us to further this type of research.

It is also critical that we provide the services needed to educate and care for those who do have autism. That is why I would like to call on the Congress to establish mandatory full funding for the Individuals with Disabilities Education Act. It is time for the federal government to step up and fulfill its obligation on special education funding for the sake of children with special needs and for the sake of our constituents who often face high property taxes.

I would also like to commend the work of all of the nonprofit groups that do so much to provide for children with autism and their families. Groups like the New Jersey Center for Outreach and Services for the Autism Community (NJCOSAC) provide information, services, advocacy, and education. Others, like the National Alliance for Autism Research (NAAR), support and fund research into science-based approaches for determining the causes, effective treatments, and potential cures for autism. NAAR, headquartered in Princeton, New Jersey, was founded by two of my constituents, Karen and Eric London, whose son Zachary was diagnosed with autism when he was only twenty-two months old.

Mr. Speaker, I urge all of my colleagues to support this resolution and to remember those children with autism when it comes time to debate appropriations. Funding scientific and biomedical research is not just about giving jobs to scientists—it's about giving hope to people like Karen and Eric London and their son Zachary.

Mr. CROWLEY. Mr. Speaker, I rise in strong support of House Resolution 605 which recognizes the importance of increasing awareness of autism as well as calling for greater investments in Research and Development to combat this disability as well as improving training and support for individuals with autism and their caregivers.

I echo the comments of my colleagues on both sides of the aisle on this important issue—that our government must not only fight autism but also the stigma of autism.

As we know, the statistics surrounding autism are staggering.

About 5 out of every 10,000 children are diagnosed with autism, with boys suffering at a rate of four times that of girls.

More concerning is that the rates of autism are increasing at an alarming rate at between 10–17% annual growth in new cases diagnosed.

Autism does not discriminate between races or nationalities and strikes so many, while our knowledge base of this disability is so little.

The facts tell one story, but I would also like to focus on the more human side of autism.

Recently, a father from my district visited my office to tell the story of his son, Adam, who is autistic.

We must combat both the lack of scientific knowledge surrounding autism as well as the public ignorance about this disability.

On behalf of the people that live with autism, like Adam, it is my hope that not only will this resolution be enacted, but that the Congress will follow up on it with new funding to learn more about, treat, and eventually combat autism.

Mr. BILIRAKIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. ADERHOLT). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and agree to the resolution, H. Res. 605, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BILIRAKIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on the motion to instruct on S. Con. Res. 95 and on the motion to suspend the rules previously postponed.

Votes will be taken in the following order:

Motion to instruct on S. Con. Res. 95, by the yeas and nays;

H. Res. 605, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. The remaining electronic vote will be conducted as a 5-minute vote.

#### MOTION TO INSTRUCT CONFEREES ON S. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. The pending business is the question on the motion to instruct conferees on the

Senate concurrent resolution, S. Con. Res. 95.

The Clerk will designate the motion.

The Clerk designated the motion.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Kansas (Mr. MOORE) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 208, nays 215, not voting 11, as follows:

[Roll No. 145]

YEAS—208

Abercrombie	Grijalva	Neal (MA)
Ackerman	Gutierrez	Oberstar
Alexander	Harman	Obey
Allen	Hastings (FL)	Oliver
Andrews	Hill	Ortiz
Baca	Hinchey	Owens
Baird	Hinojosa	Pallone
Baldwin	Hoeffel	Pascrell
Ballance	Holden	Pastor
Bass	Holt	Payne
Becerra	Honda	Pelosi
Bell	Hooley (OR)	Peterson (MN)
Bereuter	Hoyer	Pomeroy
Berkley	Inslee	Price (NC)
Berman	Israel	Rahall
Berry	Jackson (IL)	Rangel
Bishop (GA)	Jackson-Lee	Reyes
Bishop (NY)	(TX)	Rodriguez
Blumenauer	Jefferson	Ross
Boswell	John	Rothman
Boucher	Johnson, E. B.	Roybal-Allard
Brady (PA)	Jones (OH)	Ruppersberger
Brown (OH)	Kanjorski	Rush
Brown, Corrine	Kaptur	Ryan (OH)
Capps	Kennedy (RI)	Sabo
Capuano	Kildee	Sánchez, Linda
Cardin	Kind	T.
Cardoza	Kleczka	Sanchez, Loretta
Carson (IN)	Kolbe	Sanders
Carson (OK)	Kucinich	Sandlin
Case	Lampson	Schakowsky
Castle	Langevin	Schiff
Chandler	Lantos	Scott (GA)
Clay	Larsen (WA)	Scott (VA)
Clyburn	Larson (CT)	Serrano
Conyers	Leach	Shays
Cooper	Lee	Sherman
Costello	Levin	Skelton
Cramer	Lewis (GA)	Slaughter
Crowley	Lipinski	Smith (WA)
Cummings	Lofgren	Snyder
Davis (AL)	Lowe	Spratt
Davis (CA)	Lucas (KY)	Stark
Davis (FL)	Lynch	Stenholm
Davis (IL)	Majette	Strickland
Davis (TN)	Maloney	Stupak
DeFazio	Markey	Tanner
DeGette	Marshall	Tauscher
Delahunt	Matheson	Taylor (MS)
DeLauro	Matsui	Thompson (CA)
Deutscher	McCarthy (MO)	Thompson (MS)
Dicks	McCarthy (NY)	Tierney
Dingell	McCollum	Towns
Doggett	McDermott	Turner (TX)
Dooley (CA)	McGovern	Udall (CO)
Doyle	McIntyre	Udall (NM)
Edwards	McNulty	Upton
Emanuel	Meehan	Van Hollen
Engel	Meeks (NY)	Velázquez
Eshoo	Menendez	Visclosky
Etheridge	Michaud	Waters
Evans	Millender	Watson
Farr	McDonald	Watt
Fattah	Miller (NC)	Waxman
Ford	Miller, George	Weiner
Frank (MA)	Mollohan	Wexler
Frost	Moore	Woolsey
Gephardt	Moran (VA)	Wu
Gonzalez	Murtha	Wynn
Gordon	Nadler	
Green (TX)	Napolitano	

NAYS—215

Aderholt	Barton (TX)	Boehlert
Akin	Beauprez	Boehner
Bachus	Biggart	Bonilla
Baker	Bilirakis	Bonner
Ballenger	Bishop (UT)	Boozman
Barrett (SC)	Blackburn	Bradley (NH)
Bartlett (MD)	Blunt	Brady (TX)

Brown (SC)	Hayes	Petri
Brown-Waite,	Hayworth	Pickering
Ginny	Hefley	Pitts
Burgess	Hensarling	Platts
Burns	Herger	Pombo
Burr	Hobson	Porter
Burton (IN)	Hoekstra	Portman
Buyer	Hostettler	Pryce (OH)
Calvert	Houghton	Putnam
Camp	Hulshof	Quinn
Cannon	Hunter	Radanovich
Cantor	Hyde	Ramstad
Capito	Isakson	Regula
Carter	Issa	Rehberg
Chabot	Istook	Renzi
Chocola	Jenkins	Reynolds
Coble	Johnson (CT)	Rogers (AL)
Cole	Johnson (IL)	Rogers (KY)
Collins	Johnson, Sam	Rogers (MI)
Cox	Jones (NC)	Rohrabacher
Crane	Keller	Ros-Lehtinen
Crenshaw	Kelly	Royce
Cubin	Kennedy (MN)	Ryan (WI)
Culberson	King (IA)	Ryun (KS)
Cunningham	King (NY)	Saxton
Davis, Jo Ann	Kingston	Schrock
Davis, Tom	Kirk	Sensenbrenner
Deal (GA)	Kline	Sessions
DeLay	Knollenberg	Shadegg
Diaz-Balart, L.	LaHood	Shaw
Diaz-Balart, M.	Latham	Sherwood
Doolittle	LaTourette	Shimkus
Dreier	Lewis (CA)	Shuster
Duncan	Lewis (KY)	Simmons
Dunn	Linder	Simpson
Ehlers	LoBiondo	Smith (MI)
English	Lucas (OK)	Smith (NJ)
Everett	Manzullo	Smith (TX)
Feeney	McCotter	Souder
Ferguson	McCrery	Stearns
Flake	McHugh	Sullivan
Foley	McInnis	Sweeney
Forbes	McKeon	Tancred
Fossella	Mica	Taylor (NC)
Franks (AZ)	Miller (FL)	Terry
Frelinghuysen	Miller (MI)	Thomas
Gallegly	Miller, Gary	Thornberry
Garrett (NJ)	Moran (KS)	Tiahrt
Gerlach	Murphy	Tiberi
Gibbons	Musgrave	Toomey
Gilchrest	Myrick	Turner (OH)
Gillmor	Nethercutt	Vitter
Gingrey	Neugebauer	Walden (OR)
Goode	Ney	Walsh
Goodlatte	Northup	Wamp
Goss	Norwood	Weldon (FL)
Granger	Nunes	Weldon (PA)
Graves	Nussle	Weller
Green (WI)	Osborne	Whitfield
Gutknecht	Otter	Wicker
Hall	Oxley	Wilson (NM)
Harris	Paul	Wilson (SC)
Hart	Pearce	Wolf
Hastert	Pence	Young (AK)
Hastings (WA)	Peterson (PA)	Young (FL)

## NOT VOTING—11

Bono	Filner	Ose
Boyd	Greenwood	Solis
DeMint	Kilpatrick	Tauzin
Emerson	Meek (FL)	

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISAKSON) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1646

Ms. HARRIS and Messrs. LAHOOD, CAMP, HOEKSTRA, and OSBORNE changed their vote from “yea” to “nay.”

Mr. LIPINSKI changed his vote from “nay” to “yea.”

So the motion to instruct was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall No. 145, I was unavoidably detained, and I missed

the vote. Had I been present, I would have voted “yea.”

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 145 on the motion to instruct conferees on S. Con. Res. 95 I was unavoidably detained. Had I been present, I would have voted “yea.”

Stated against:

Mr. OSE. Mr. Speaker, on rollcall No. 145, I was unavoidably detained questioning a witness in a subcommittee hearing. Had I been present, I would have voted “nay.”

# RECOGNIZING THE IMPORTANCE OF INCREASING AWARENESS OF AUTISM

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 605, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and agree to the resolution, H. Res. 605, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 421, nays 0, not voting 12, as follows:

[Roll No. 146]

YEAS—421

Abercrombie	Camp	Doolittle
Ackerman	Cannon	Doyle
Aderholt	Cantor	Dreier
Akin	Capito	Duncan
Alexander	Capps	Dunn
Allen	Capuano	Edwards
Andrews	Cardin	Ehlers
Baca	Cardoza	Emanuel
Bachus	Carson (IN)	Engel
Baird	Carson (OK)	English
Baker	Carter	Eshoo
Case	Case	Etheridge
Castle	Castle	Evans
Chabot	Chabot	Everett
Chandler	Chandler	Farr
Chocola	Chocola	Fattah
Clay	Clay	Feeney
Clyburn	Clyburn	Ferguson
Coble	Coble	Flake
Cole	Cole	Foley
Collins	Collins	Forbes
Conyers	Conyers	Ford
Cooper	Cooper	Fossella
Costello	Costello	Frank (MA)
Cox	Cox	Franks (AZ)
Cramer	Cramer	Frelinghuysen
Crane	Crane	Frost
Crenshaw	Crenshaw	Gallegly
Crowley	Crowley	Garrett (NJ)
Cubin	Cubin	Gephardt
Culberson	Culberson	Gerlach
Cummings	Cummings	Gibbons
Cunningham	Cunningham	Gilchrest
Davis (AL)	Davis (AL)	Gillmor
Davis (CA)	Davis (CA)	Gingrey
Davis (FL)	Davis (FL)	Gonzalez
Davis (IL)	Davis (IL)	Goode
Davis (TN)	Davis (TN)	Goodlatte
Davis, Jo Ann	Davis, Jo Ann	Gordon
Davis, Tom	Davis, Tom	Goss
Deal (GA)	Deal (GA)	Granger
DeFazio	DeFazio	Graves
DeGette	DeGette	Green (TX)
Delahunt	Delahunt	Green (WI)
DeLauro	DeLauro	Grijalva
DeLay	DeLay	Gutierrez
Deutsch	Deutsch	Gutknecht
Diaz-Balart, L.	Diaz-Balart, L.	Hall
Diaz-Balart, M.	Diaz-Balart, M.	Harman
Dicks	Dicks	Harris
Dingell	Dingell	Hart
Doggett	Doggett	Hastings (FL)
Dooley (CA)	Dooley (CA)	Hastings (WA)

Hayes	McDermott	Ryan (OH)
Hayworth	McGovern	Ryun (KS)
Hefley	McHugh	Sabo
Hensarling	McInnis	Sanchez, Linda
Herger	McIntyre	T.
Hill	McKeon	Sanchez, Loretta
Hinchey	McNulty	Sanders
Hinojosa	Meehan	Sandlin
Hobson	Meeks (NY)	Saxton
Hoeffel	Menendez	Schakowsky
Hoekstra	Mica	Schiff
Holden	Michaud	Schrock
Holt	Millender-McDonald	Scott (GA)
Honda	Miller (FL)	Scott (VA)
Hooley (OR)	Miller (MI)	Sensenbrenner
Hostettler	Miller (NC)	Serrano
Houghton	Miller, Gary	Sessions
Hoyer	Miller, George	Shadegg
Hulshof	Mollohan	Shaw
Hunter	Moore	Shays
Hyde	Moran (KS)	Sherman
Inslee	Moran (VA)	Sherwood
Isakson	Murphy	Shimkus
Israel	Murtha	Shuster
Issa	Musgrave	Simmons
Istook	Myrick	Simpson
Jackson (IL)	Nadler	Skelton
Jackson-Lee	Napolitano	Slaughter
(TX)	Neal (MA)	Smith (MI)
Jefferson	Nethercutt	Smith (NJ)
Jenkins	Neugebauer	Smith (TX)
John	Ney	Smith (WA)
Johnson (CT)	Northup	Snyder
Johnson (IL)	Norwood	Souder
Johnson, E. B.	Nunes	Spratt
Johnson, Sam	Nussle	Stark
Jones (NC)	Oberstar	Stearns
Jones (OH)	Obey	Stenholm
Kanjorski	Olver	Strickland
Kaptur	Ortiz	Stupak
Keller	Osborne	Sullivan
Kelly	Ose	Sweeney
Kennedy (MN)	Otter	Tancred
Kennedy (RI)	Owens	Tanner
Kildee	Oxley	Tauscher
Kind	Pallone	Taylor (MS)
King (IA)	Pascarell	Taylor (NC)
King (NY)	Pastor	Terry
Kingston	Paul	Thomas
Kirk	Payne	Thompson (CA)
Klecza	Pearce	Thompson (MS)
Kline	Pelosi	Thornberry
Knollenberg	Pence	Tiahrt
Kolbe	Peterson (MN)	Tiberi
Kucinich	Peterson (PA)	Tierney
LaHood	Petri	Toomey
Lampson	Pickering	Towns
Langevin	Pitts	Turner (OH)
Lantos	Platts	Turner (TX)
Larsen (WA)	Pombo	Turner (CO)
Larson (CT)	Pomeroy	Udall (NM)
Latham	Porter	Upton
LaTourette	Portman	Van Hollen
Leach	Price (NC)	Velázquez
Lee	Pryce (OH)	Visclosky
Levin	Putnam	Vitter
Lewis (CA)	Quinn	Walden (OR)
Lewis (GA)	Radanovich	Walsh
Lewis (KY)	Rahall	Wamp
Linder	Ramstad	Waters
Lipinski	Rangel	Watson
LoBiondo	Regula	Watt
Lofgren	Rehberg	Waxman
Lowe	Renzi	Weiner
Lucas (KY)	Reyes	Weldon (FL)
Lucas (OK)	Reynolds	Weldon (PA)
Lynch	Rodriguez	Weller
Majette	Rogers (AL)	Wexler
Maloney	Rogers (KY)	Whitfield
Manzullo	Rogers (MI)	Wicker
Markey	Rohrabacher	Wilson (NM)
Marshall	Ros-Lehtinen	Wilson (SC)
Matheson	Ross	Wolf
Matsui	Rothman	Woolsey
McCarthy (MO)	Roybal-Allard	Wu
McCarthy (NY)	Royce	Wynn
McCollum	Ruppersberger	Young (AK)
McCotter	Rush	Young (FL)
McCrery		

## NOT VOTING—12

Bereuter	Emerson	Meek (FL)
Bono	Filner	Ryan (WI)
Boyd	Greenwood	Solis
DeMint	Kilpatrick	Tauzin

□ 1654

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall No. 146, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted "yea."

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 146 on H. Res. 605, recognizing the importance of increasing awareness about autism, I was unavoidably detained. Had I been present, I would have voted "yea."

#### PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, personal reasons prevent me from being present for legislative business scheduled after 3 p.m. today, Wednesday, May 5, 2004. Had I been present, I would have voted "yea" on the motion to instruct conferees on S. Con. Res. 95 (rollcall No. 145); and "yea" on the motion to suspend the rules and pass H. Res. 605, a resolution recognizing the importance of increasing awareness of autism (rollcall No. 146).

#### EXTENDING THE DEADLINE FOR THE INTELSAT INITIAL PUBLIC OFFERING

Mr. UPTON. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be discharged from further consideration of the Senate bill (S. 2315) to amend the Communications Satellite Act of 1962 to extend the deadline for the INTELSAT initial public offering, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. ISAKSON). Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2315

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. EXTENSION OF IPO DEADLINE.

Section 621(5)(A)(i) of the Communications Satellite Act of 1962 (47 U.S.C. 763(5)(A)(i)) is amended—

(1) by striking "December 31, 2003," and inserting "June 30, 2005,"; and

(2) by striking "June 30, 2004;" and inserting "December 31, 2005;".

Mr. DINGELL. Mr. Speaker, I support S. 2315, a bill that would extend the deadline for the INTELSAT initial public offering (IPO).

During debate on the ORBIT Act several years ago, I voiced concerns regarding the specific licensing criteria that INTELSAT and Inmarsat were required to meet to gain access to the U.S. telecommunications market. One provision required each company to conduct an initial public offering by a date certain. I would prefer that the Government not be in

the business of requiring companies to go public. At the very least, however, the Government should not be forcing companies to go public when market conditions are unfavorable.

Unfortunately, that is exactly what is now happening, unless we approve the bill before us. The ORBIT Act requires INTELSAT to complete its IPO by June 30—just two short months away. And while we all hope that our economy is on the upswing by then, forcing INTELSAT to conduct an IPO next month is bad policy and will cost INTELSAT's owners, including many U.S. investors, hundreds of millions of dollars.

The bill before us today, S. 2315, amends the Communications Satellite Act to give INTELSAT an additional year to conduct its IPO. Although I would prefer that this bill be addressed through regular order, time is short. A one-year extension is what has passed in the other body, and, in the interest of time, we should pass this bill and allow INTELSAT another year to conduct its IPO.

The satellite marketplace has changed significantly from when the ORBIT Act became law, and the repeated Congressional action to postpone the Act's IPO requirements raises serious questions about whether additional changes need to be made to the Act to ensure that it addresses current market conditions. Accordingly, I hope that the Committee on Energy and Commerce will hold a hearing in the near future on the Act's relevance and effect on today's satellite marketplace.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. UPTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 2315, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### NEW YORK CITY WATERSHED PROTECTION PROGRAM REAUTHORIZATION

Mr. GILLMOR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2771) to amend the Safe Drinking Water Act to reauthorize the New York City Watershed Protection Program.

The Clerk read as follows:

H.R. 2771

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. NEW YORK CITY WATERSHED PROTECTION PROGRAM.

Section 1443(d)(4) of the Safe Drinking Water Act (42 U.S.C. 300j-2(d)(4)) is amended by striking "1997 through 2003" and inserting "2003 through 2010".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. GILLMOR) and the gentleman from Illinois (Ms. SCHAKOWSKY) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. GILLMOR).

#### GENERAL LEAVE

Mr. GILLMOR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

I want to recognize my subcommittee vice chairman, the gentleman from New York (Mr. FOSSELLA), for the fine work that he has done on this bill.

The New York Watershed Protection Program reauthorization is bipartisan legislation with 28 cosponsors, including both the gentleman from New York (Mr. TOWNS) and the gentleman from New York (Mr. ENGEL) who are members of our full committee. In fact, the bill has 19 Democrats as cosponsors and 12 Republicans. This bill is a perfect example of fair-minded people from all parts of the political spectrum coming together to support legislation that is good for the environment.

The New York City Watershed covers an area of over 1,900 square miles in the Catskill Mountains and the Hudson River Valley. The watershed is divided into two reservoir systems, the Catskill/Delaware watershed and the Croton watershed. Together, the two reservoir systems deliver approximately 1.4 billion gallons of water every day to nearly 9 million people in the New York City area.

In December 1993, EPA concluded that New York City was able to avoid filtration of its drinking water and assigned New York over 150 conditions relating to watershed protection, monitoring, and studies. Unfortunately, New York City met several key roadblocks to implementation of these requirements, including not being able to obtain a land acquisition permit or approval of revised watershed regulations from the State of New York.

Congress addressed this problem in Section 128 of the Safe Drinking Water Act Amendments of 1996, when the New York City Watershed Protection Program was first enacted. The program authorized \$15 million per year for fiscal years 1997 to 2003 for EPA to provide matching grants to the State of New York for approved demonstration grants projects that were part of New York's watershed and source water protection program.

In practice, this has been a successful program and has saved the economic vitality and the environmental quality of upstate New York communities in the watershed region, while also saving American taxpayers billions of dollars that would otherwise be necessary to build water filtration systems. Witnesses at our subcommittee hearing on this bill all spoke highly of this program, and they need to see it fully extended.

Of note, EPA Administrator Leavitt has also testified that one way to reduce the financial needs of drinking



water delivery systems is to encourage more conservation efforts, and I believe programs like the New York City watershed are good examples of public and private partnerships paying environmental and economic dividends.

The House faces a simple question: should we as Congress provide legal authority for the Federal Government to assist this watershed? I believe we should. It is a simple bill that extends the authorization of the New York City Watershed until 2010. Let us take a step toward bipartisan protection of the environment and New York's source water in particular. I urge Members to vote favorably on H.R. 2771.

Mr. Speaker, I reserve the balance of my time.

Ms. SCHAKOWSKY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, today we are considering H.R. 2771, a bill passed by the Committee on Energy and Commerce to reauthorize the New York City Watershed Protection Program for 7 years.

□ 1700

I am not opposed to demonstration projects for monitoring New York City watershed, but it seems odd that of the more than a dozen core provisions of the Safe Drinking Water Act that expired in 2003, the House leadership has managed to find time for consideration of the management of one bill which singles out a small demonstration grant program that benefits only one State for a 7-year reauthorization.

During the Committee on Energy and Commerce's consideration of this bill, Democratic members questioned the wisdom of reauthorizing a provision that President Bush did not include in his 2005 budget. Given that, the subcommittee of the Committee on Energy and Commerce with oversight over this legislation, requested that the Bush administration provide the committee with a witness who could explain the administration's position on the bill, and explain why the President chose not to request funding for the program. The administration did not provide the committee with such a witness or with the requested information.

The ranking Democrat on the Committee on Commerce, the gentleman from Michigan (Mr. DINGELL) and the gentlewoman from California (Ms. SOLIS), the ranking Democrat on the Subcommittee on Environment and Hazardous Materials, sent a letter to Administrator Leavitt asking those questions and requesting that he provide an answer by last Friday, April 30, so the House Members could make an informed vote on the bill.

Administrator Leavitt still has not responded to that request.

Mr. Speaker, that letter is as follows:

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ENERGY AND COMMERCE,  
Washington, DC, April 12, 2004.

Hon. MICHAEL R. LEAVITT,  
Administrator, Environmental Protection Agency,  
Pennsylvania Avenue, NW., Washington, DC

DEAR ADMINISTRATOR LEAVITT: The Subcommittee on Environment and Hazardous Materials held a hearing and markup on Friday, April 2, 2004, on H.R. 2771, a bill to reauthorize financial assistance to the State of New York for demonstration projects implemented as part of the New York City Watershed Protection Program. The legislation would reauthorize Section 1443(d) of the Safe Drinking Water Act to extend the annual authorization of \$15,000,000 to the year 2010. None of the other thirteen provisions of the Safe Drinking Water Act whose annual authorizations expired in 2003 would be extended or reauthorized.

The Committee majority staff informed the minority staff that the Environmental Protection Agency (EPA) was unable to provide a witness at the hearing to testify on the President's budget requests for the New York Watershed Program. The EPA witness from Region 2 who did appear at the hearing was also unable to provide the Administration's position on H.R. 2771.

Therefore, I request a response to the following questions not later than close of business on Friday, April 30, 2004:

1. Does the Administration support H.R. 2771?

2. Please explain why President Bush's budget for FY 2005 did not contain any requested funding to implement Section 1443(d), the New York Watershed Protection Program. In addition, please explain why none of President Bush's previous budgets for FY 2002, FY 2003, or FY 2004 contained any funding requests to provide financial assistance to the State of New York for the demonstration projects authorized by Section 1443(d).

3. Is it correct that the first financial assistance provided by the EPA from appropriations earmarked to the State of New York for the demonstration projects authorized by Section 1443(d) was on or about September 30, 1997? Is it also correct that the report from the Governor of New York on the results of projects assisted as required by Section 1443(d)(2) was due to be submitted to the EPA Administrator on or about September 30, 2002?

Thank you for your cooperation with this matter. If you have any questions regarding this request, please contact me or have your staff contact Dick Frandsen, Senior Minority Counsel, at 202-225-3641.

Sincerely,

JOHN D. DINGELL,  
Ranking Member.

HILDA L. SOLIS,  
Ranking Member, Subcommittee on Environment and Hazardous Materials.

Furthermore, Mr. Speaker, Democratic members expressed concern over the fact that H.R. 2771 seeks to reauthorize the program for an additional 6 years beyond the Senate companion to this bill.

The gentlewoman from California (Ms. SOLIS) offered an amendment to H.R. 2771 during the markup of the bill, a markup that would have reauthorized the bill for one additional year. This 1-year authorization would have ensured authorized funding of the New York City Watershed Project during the appropriations process.

The amendment would have also allowed us to revisit the New York City Watershed Bill during a comprehensive review of the entire Safe Drinking Water Act next year.

Every day we open the newspapers to read about the health concerns of families of Washington, D.C. and members in Washington, D.C. as they deal with excessive levels of lead in their drinking water.

Each of us has heard from our local communities about the urgent need to upgrade our Nation's aging water infrastructure. There is an unquestionable need in all of our States for additional resources to ensure compliance with drinking water standards and make critical infrastructure improvements.

Among the provisions of the Safe Drinking Water Act that have expired is the State Revolving Loan Fund, which funds critical water infrastructure and compliance needs throughout our country. President Bush's budget requested only \$850 million for this critical program, \$150 million less than the level authorized by the 1996 Safe Drinking Water Act amendments. If we authorized and fully funded that provision, each of our States would receive an additional 1 to \$15 million.

Local governments, States, drinking water suppliers and the EPA, all agree there is a tremendous resource gap which will continue to grow for drinking water infrastructure funding needed to protect the public health. This matter calls for corrective legislation. Of course, we support efforts to maintain the availability of safe drinking water in New York. But we should give all the expired provisions of the Safe Drinking Water Act the same attention we are giving H.R. 2771 so that families throughout the country can have access to safe drinking water.

Mr. Speaker, we have the time here to name post offices and to commend athletic teams and organizations, and when we do get around to environmental concerns, we only take a teenie weenie bite at the apple. We should give the same amount of attention to the funding needs of all our environment programs. The President's FY 2005 budget cut \$2.3 billion in funding for programs that protect public health and the environment. The FY 2005 budget for the EPA is 7.2 percent below the FY 2004 enacted level. Furthermore, the President does not reinstate the Superfund taxes in his FY 2005 budget, a move that would force taxpayers to foot the bill for hazardous cleanup and would deviate from the long-standing "polluter pays" principle of the Superfund.

The President does include, however, expected revenues from opening the Arctic National Wildlife Refuge, ANWR, to oil and gas exploration despite strong opposition in Congress to this plan.

We should also act to make sure people across the country have clean air to breathe. The Bush administration has severely loosened the requirements of

the Clean Air Act. This administration's new source review regulations allows plants to indefinitely continue to put large amounts of dangerous pollutants in the air. This administration has also proposed mercury regulations that would allow as much as 3 times more mercury to release from power plants than would be released under current law.

We could spend our time passing legislation like the gentleman from California's (Mr. WAXMAN) Clean Smoke Stacks Act, H.R. 2042, to drastically curb emissions of sulphur dioxide, nitrogen oxide, carbon dioxide and mercury from power plants.

Mr. Speaker, I reserve the balance of my time.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, a couple of quick points. The gentleman attacked this bill because Bush did not ask for funding for it. I would also point out that the Clinton administration did not ask for any funding for this bill either, but Congress has a responsibility which we exercised before when we originally authorized it and which we are doing it again.

Regarding the comments about lead in the drinking water, the activity that is going on now is a GAO study that is ongoing at my request to look at that serious situation.

I also want to respond to the comment the lady made about the money in the Safe Drinking Water Revolving Fund. I would point out to her that the Bush administration has asked for more money for that program than the Clinton administration did.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. FOSSELLA), the vice chairman of the Subcommittee on Environment and Hazardous Materials.

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman for bringing H.R. 2771 to the floor. I thank the gentleman from Ohio (Mr. GILLMOR) for passing this bill to ensure the continued protection of our Nation's largest and most pure source of drinking water.

The overwhelming bipartisan nature of this effort was seen at the subcommittee hearing when New York Members of Congress from both parties, representatives from upstate and New York City, as well as the State Department of Environmental Commissioner Crotty all testified in support of the bill. I would like to thank the gentleman from New York (Mr. TOWNS) and the gentleman from New York (Mr. ENGEL) for their help in spearheading this effort through.

The unanimous vote passing this bill out of the full committee is yet another testament to this bipartisan initiative and backed by every single member of the New York delegation. H.R. 2771 reauthorizes the New York City Watershed Protection Program, as I mentioned, made possible through the landmark New York City Watershed Agreement. The accord resulted from

the efforts of Governor George Pataki and his vision to bring together environmental groups, New York City officials, upstate communities and the United States Department of Environmental Protection in 1997.

It allowed for the continued and long-term protection of New York City's drinking water, while safeguarding the economic viability and environmental quality of Upstate communities in the watershed region. The agreement also saves, and this is important, State and Federal taxpayers \$8 billion that would be necessary to build water filtration systems in its absence. With a relatively small amount of Federal funding, New York City and State have been able to implement an unprecedented water monitoring and surveillance program for the 1,900 square miles of the region.

This is the Nation's largest source of unfiltered drinking water, providing pristine water to 9 million residents in both New York City and its Upstate communities. Congress recognized the need to fund the New York City Watershed Protection Program in 1996 with the Safe Drinking Water Act amendments. Since then, the Watershed Agreement has made unprecedented advances towards enhancing water quality in both New York and the country.

The \$15 million in Federal funds authorized annually provides the seed money for groundbreaking programs and studies. These efforts are used as a nationwide model to improve drinking water for all Americans.

Building on this small base of Federal funding, the City and State of New York have shown a strong commitment towards implementation of the Watershed Agreement. To date, both have spent \$1.6 billion on watershed programs. Unfortunately, authorization of Federal funding of the agreement expired on September 30 of last year, leaving its future in jeopardy. H.R. 2771 solves this problem. By reauthorizing the program through 2010, enhancing the protection of New York City's water supply will continue, along with the development of watershed protection models benefiting, again, all Americans.

Today, Congress will act to protect New York City's drinking water. Protect the watershed agreement's breakthrough innovations, protect Upstate farmers and communities and pass H.R. 2771.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. TOWNS).

Mr. TOWNS. Mr. Speaker, I rise in strong support of 2771. This bill is very important to the people of New York. The entire New York delegation supports this bill.

This legislation would reauthorize funding for the New York City Watershed Agreement, helping to ensure safe and healthy drinking for the residents of New York.

New York City's vast water supply provides 1.4 billion gallons of high

quality drinking water to more than 9 million New Yorkers every day. Nearly 90 percent of those consumers reside in New York City. To supply millions of people with safe, clean water takes an extensive water supply. In fact, the supply consists of 19 reservoirs in a watershed that spans almost 2,000 square miles. It covers 8 counties, 60 towns, and 11 villages in the Catskill Mountain region and the Hudson River Valley.

The effective protection of this essential national resource is an enormous challenge. Let me point out that environmental groups worked with New York City, State officials, Upstate communities, and the Federal Government to create the New York City Watershed Agreement. While this landmark agreement laid the groundwork for protecting the city's water supply, it could only work if an effective quality water monitoring program was implemented.

So in 1996 Congress responded by authorizing annual funding for 7 years. During this period, Congress has provided a total of \$31 million to implement a comprehensive surveillance program, matched equally by grant recipients. Additionally, New York City and State have leveraged those Federal funds by investing \$1.6 billion to protect the New York City drinking water supply. By reauthorizing Federal funding for the watershed agreement which expired last September, this bill would demonstrate the Federal Government's continued commitment and help maintain the safety of New York City's water supply.

Finally, Mr. Speaker, let me conclude by thanking the staff, the gentleman from Texas (Mr. BARTON); the ranking member, the gentleman from Michigan (Mr. DINGELL), the gentleman from Ohio (Mr. GILLMOR), and of course the ranking member, the gentleman from Illinois (Ms. SCHAKOWSKY) for their hard work on this as well.

Let me say that this is very important to New York City. And I know there has been some concern about the fact that other bills have not been moved or other areas have not included, but let me say that I think a journey of a thousand miles starts with a single step. And starting with New York, I think that is a good place to start. I cannot think of a better place to start than New York.

Mr. GILLMOR. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Speaker, I rise to support this legislation. The enactment of H.R. 2771 has significant implications for my district, immediately north of New York City. This includes portions of Westchester, Rockland, Dutchess, Putnam and Orange Counties. Through all of these counties all of New York City's drinking water flows. The entire Croton system of reservoirs, the lower third of this system, is in my district.

New York City's tap water has been called the champagne of drinking waters because of its exceptional purity. And it is because of the actions that take place in my district and other Upstate counties that this water is so pure.

We are happy to partner with the city to protect its water supply in a way that helps preserve the pristine character of the Hudson River Valley. And the 1997 Watershed Agreement has been an essential tool for maintaining this partnership.

Through assistance provided under the Watershed Agreement, communities in my district have been able to develop plans which help preserve their character and protect the water supply for New York City. Without the agreement and the critical assistance of the EPA, the balance we have struck would be undermined. And so the passage of this bill is vital to the continuing partnership in my district.

The cost savings brought by this agreement needs to be considered as well. The cost of a plant to filter New York City's water supply system which would be necessary if this 1997 agreement falls apart, has been estimated at \$8 billion. The Watershed Agreement is an area of common ground. We have worked hard to get this agreement going.

I thank my colleagues for considering this legislation that will allow this mutually beneficial process to continue.

□ 1715

Ms. SCHAKOWSKY. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. STUPAK).

Mr. STUPAK. Mr. Speaker, I thank the gentlewoman for yielding time to me on this bill.

This bill, H.R. 2771, is a bill to reauthorize the New York City watershed protection program.

We passed this bill out of the Subcommittee on Environment and Hazardous Materials last month. This legislation addresses a grant for one State, New York. It was the first mark-up the subcommittee took up in the entire 108th Congress.

I do not mean to belittle the significance of this bill. I am pleased to help out my New York colleagues, but what about the consideration of the 13 other important provisions of the Safe Water Drinking Act whose authorizations have expired in 2003? The New York demonstration project's annual authorization of \$15 million represents roughly 1 percent of the over \$1.2 billion in total authorizations the Safe Drinking Water Act provides.

By giving priority to only one provision for special treatment, we are failing to address important core provisions of the act, such as the State revolving loan fund that helps all States and assures safe and healthy drinking water for all citizens. The revolving loan fund also expired in 2003 and is seriously short-changed in the adminis-

tration's budget request at \$850 million. That is \$150 million less than the authorized level. This fund is critical in helping public water systems finance infrastructure projects needed to comply with the Federal drinking water regulations and to protect public health.

The EPA itself says we need \$102.3 billion in additional funding for water utilities just to maintain compliance with the Safe Drinking Water Act. That figure does not take into account the large and the huge costs of replacing critical water infrastructure.

It seems to me, Mr. Speaker, that public health issues are not a priority for the Republican House leadership.

Far too many environmental and public health issues continue to be ignored. Let me name another issue that has continually been brushed aside.

The importance of Canadian trash into Michigan and the interstate movement of trash in general to neighboring States, like Ohio and Pennsylvania, has been a problem for more than a decade. Although a hearing was held last July in the subcommittee, there has been no effort to pass out any of the three bills that have been introduced to address this issue by members of our committee of the Committee on Energy and Commerce.

One of those bills, of which I am a cosponsor, would direct the EPA to enforce an earlier agreement with Canada to stop the importation of municipal solid waste. I would be interested to know if the Republican leadership and the committee leadership are going to consider any of these bills this year.

This is just one of a long list of important environmental issues that the majority has failed to address. Other issues include lead contamination in Washington, D.C.'s drinking water and the need for Federal drinking water standards for perchlorate to ensure that the Department of Defense cleans up widespread contamination at its facilities, like Camp Lejeune, North Carolina.

We should give the same amount of attention to the funding needs of all our environmental and public health programs. Instead, the President's budget cuts these programs by \$2.3 billion, slashing EPA's budget by 7.2 percent below the fiscal year 2004 enacted level.

Again, as the majority, the Republican leadership, here refuses to address these serious issues, it is America's environment and public health that are continually put at risk.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman for his comments. There are a couple of things I would like to point out.

It is the Republicans on the Committee on Energy and Commerce that caused the broad investigation into lead in the drinking water. It was Republicans on the Committee on Energy and Commerce that asked GAO to look at the perchlorate problem in the

water, and I would also point out that the Democrats on the committee were invited to participate in that request and just plain declined to do so.

I would also point out that we have started looking at the problem of the actions of the Defense Department regarding environmental cleanups and that we have also held hearings on the matter of movement of trash both interstate and internationally, and that it was Republicans on the committee that developed and caused to be passed a leaking underground storage bill which is now incorporated in H.R. 6, which is the energy bill, which is still pending over in the Senate.

It is the Republicans on the Committee on Energy and Commerce that have supported changes to the brownfield redevelopment program.

So the thrust of the gentleman's statement that nothing is happening I would take some degree of exception to.

Mr. STUPAK. Mr. Speaker, will the gentleman yield?

Mr. GILLMOR. I yield to the gentleman from Michigan.

Mr. STUPAK. Mr. Speaker, with all due respect to the chairman, I agree we have had some hearings.

The perchlorate that I mentioned at Camp Lejeune has been going on for 20 years. We have to get that resolved. We had testimony from Mr. Ensminger and others last week about his daughter who died of leukemia from the contaminant in the drinking water at Camp Lejeune, and no one has taken responsibility or accepted responsibility for doing anything about it.

Mr. GILLMOR. Is the gentleman asking me a question or making a speech?

Mr. STUPAK. The point I want to make, and see, with the trash issue, some 13 years we have had a number of hearings in committee. We had one last July, which I am thankful for.

Mr. GILLMOR. If the gentleman is making a speech, he is doing it on my time.

Mr. STUPAK. Mr. Speaker, can we just report them out like we did this bill? This is the only bill we have reported out. Would my colleagues please report out the Canadian trash bills?

Mr. GILLMOR. Reclaiming my time, we are taking a look at that, and as my colleague knows, we attempted to do that last year, and we had a problem that sometimes occurs around here called shortage of votes; but I am hopeful that we can have an interstate and international waste bill.

The only way we are going to do it is if we have broad bipartisan support, which, as my colleague knows, he and I have both served on this committee a long time, is sometimes difficult to attain.

Mr. STUPAK. We look forward to working with my colleague in a bipartisan manner to move those Canadian trash bills.

Mr. GILLMOR. I thank the gentleman.

Mr. Speaker, I reserve the balance of my time.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, the U.S. watershed protection program is a very significant piece of environmental legislation. It is part of the Federal Clean Water Act, itself being one of the most significant pieces of environmental legislation ever addressed by this Congress. The issue here before us is the reauthorization of that New York City watershed protection program, and I urge the Members of this House to support that reauthorization.

The Catskill Mountains provide the protection for the New York City water supply system. That protection is a natural system. The reservoir system itself is a natural system. It is gravity-fed. There are no pumps in it at any point along the way.

The system itself is unfiltered, one of the few major water supply systems anywhere in the country that remains unfiltered. It is important that it remain so. It is important for some of the reasons that have been mentioned, costs certainly; \$8 billion is an extraordinary amount of money. In addition to that, it would require another half a billion dollars a year just to operate the filtration system; but if the filtration system were to be built, that would undermine all of the protections that are inherent in this legislation that provide for natural, safe, pure protection of this water supply system.

So I want to express my appreciation to everyone who has been involved with the creation of this bill and bringing it to the floor today and the gentleman from New York (Mr. FOSSELLA) particularly and others on the Committee on Energy and Commerce.

I would also, along with my other colleagues, urge that the other portions of the Federal Clean Water Act be addressed as well and they be addressed expeditiously. The water supplies of this country are incredibly important to the health and safety of all Americans. We value our water supply system in New York. Other communities value theirs as well.

I would urge that the remaining 13 provisions of the Federal Clean Water Act be addressed and be addressed as quickly as possible and be brought to the floor so we can deal with them in the proper fashion.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentlewoman for yielding time to me, and I rise in strong support of this legislation.

I am proud to serve on the Committee on Energy and Commerce; and when we marked up this bill last week, I was very happy to speak in favor of it.

I represent a district covering Rockland, Westchester and Bronx counties, all of which are part of the 9 million people that this water is so important for.

I am aware that many of my colleagues are unhappy that we are only reauthorizing a very small provision of the Safe Drinking Water Act. I agree with their unhappiness, and I hope that the committee and subcommittee and the full House can reauthorize the rest of the Safe Drinking Water Act; but I would say to my colleagues, please do not hold New York hostage.

All 29 Members of the House representing New York, both Democrats and Republicans, strongly support this bill. I am certainly happy to take care of New York, but my State benefits from the State revolving loan fund as well. So I want to say that the safe drinking water programs are all important and should be reauthorized, and I hope they will be.

This bill is very important to New York. Millions of people rely on drinking water from this watershed, and ensuring that they have safe and clean water is very important to me and my constituents. This is obviously not a perfect bill, but it is an important water quality monitoring program. It is a model program for the rest of the Nation, and I would hope this could be replicated with the rest of the Nation.

So, again, I thank my colleagues for coming together. We want to have safe and clean drinking water in New York. When our Republican colleagues come to New York in August and September for the convention, we want their water to be pure, and I think Democrats and Republicans can all agree on that. So, again, I would urge my colleagues to support this legislation.

□ 1730

Ms. SCHAKOWSKY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to say to the gentleman on the issue of lead in the drinking water, in fact, it was the Committee on Government Reform that held hearings on this. Also, this legislation we were considering today was, in fact, the first markup of the 108th Congress in the Subcommittee on Environment and Hazardous Materials.

There are so many issues on the environmental agenda. Since we have so few opportunities to discuss those on the floor of the House since they are so rare to come before us, I wanted to just mention, bring to the attention of this body, that there is a very important third edition of the National Resource Defense Council book called "Rewriting the Rules: The Bush Administration's Assault on the Environment" which documents more than 150 assaults on our environmental safeguards between January 2003 and March 2004.

Among the most troubling Bush administration environmental actions include: In November 2003, the Bush administration proposed to legalize the release of inadequately treated sewage into waterways as long as it is diluted with treated sewage, a process the agency has euphemistically labeled "blending."

In April 2003, in a sweeping legal settlement with then-Utah governor and current EPA administrator Mike Leavitt, the administration renounced the government's authority to conduct wilderness inventories on public lands or to protect more areas for their wilderness values. The sudden settlement involved no public comment or open deliberations, and threatens to open millions of acres of wilderness public lands to drilling, mining, road building and other development.

The Bush administration has refused to regulate mercury through the same tough approach used for other hazardous air pollutants. The Clean Air Act requires the plants meet maximum achievable control technology standards for hazardous air pollutants. The Bush administration's proposal allows more mercury to be admitted, and gives industry decades longer to comply.

Furthermore, in January 2004, it was revealed that at least a dozen paragraphs of the Bush administration's mercury proposal were lifted, sometimes verbatim, from memos sent by a law firm that represents the utility industry.

Eric Schaeffer, the EPA's head of civil enforcement, handed in his resignation after President Bush announced the "Clear Skies" initiative. His letter of resignation said he was "tired of fighting a White House that seems determined to weaken the rules we are trying to enforce."

In February, 2004, 63 scientists, including 20 Nobel laureates and 19 recipients of the National Medal of Science, issued a statement accusing the Bush administration of "deliberately and systematically" distorting scientific fact and misleading the public in order to further its own partisan political objectives.

In a damning report, the scientists detailed numerous examples of the administration's abuse of science, censoring government studies, gagging agency scientists, refusing to confer with or ignoring independent experts, appointing unqualified or industry-connected individuals to Federal advisory committees, disbanding those government panels offering unwanted information, and misinterpreting information to fit predetermined policy objectives.

Having said all that, I would like to say that I think H.R. 2771, limited though it is, is an important step in providing clean, safe drinking water in New York City.

Mr. Speaker, I yield back the balance of my time.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to follow up on a comment by the gentleman from New York (Mr. ENGEL) who talked about the Republican convention being in New York this year, and that this would help us have good water while we are there. I want to assure the gentleman from New York and other New

Yorkers that I am looking forward to attending the Republican National Convention and sampling what the gentlewoman from New York (Mrs. KELLY) called the "champagne of water" while I am there.

Mr. LOWEY. Mr. Speaker, I am proud to support the extension of the New York City Watershed Protection Program, and I thank my colleague VITO FOSSELLA for his leadership on this issue.

Ensuring clean drinking water for our communities has always been a priority of mine. Providing a safe and health water supply is not just a public health issue, it is also a homeland security priority.

I am pleased that the bill under consideration today will reauthorize the funding for the Watershed Protection Program through 2010. The program will provide \$15 million per year to protect and enhance the quality of New York's water supply, and in the long run will save taxpayers the cost of an alternative water filtration system. This comprehensive initiative demonstrates our commitment to the ongoing preservation of New York's safe drinking water supply, and I am pleased to see communities, environmental groups and state officials join together in support of this cause.

I am happy to support this legislation, which will benefit the health of New Yorkers and the quality of our environment for years to come.

Mr. GILLMOR. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. ISAKSON). The question is on the motion offered by the gentleman from Ohio (Mr. GILLMOR) that the House suspend the rules and pass the bill, H.R. 2771.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### SMALL PUBLIC HOUSING AUTHORITY ACT

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 27) to amend the United States Housing Act of 1937 to exempt small public housing agencies from the requirement of preparing an annual public housing agency plan, as amended.

The Clerk read as follows:

H.R. 27

*Be it enacted the the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the "Small Public Housing Authority Act".*

#### SEC. 2. PUBLIC HOUSING AGENCY PLANS FOR CERTAIN SMALL PUBLIC HOUSING AGENCIES.

*Section 5A(b) of the United States Housing Act of 1937 (42 U.S.C. 1437c-1(b)) is amended by adding at the end the following new paragraph:*

*"(3) EXEMPTION OF CERTAIN SMALL PHAS FROM FILING REQUIREMENT.—*

*"(A) IN GENERAL.—Notwithstanding paragraph (1) or any other provision of this Act—*

*"(i) the requirement under paragraph (1) shall not apply to any qualified small public housing agency; and*

*"(ii) any reference in this section or any other provision of law to a 'public housing agency'*

*shall not be considered to refer to any qualified small public housing agency, to the extent such reference applies to the requirement to submit a public housing agency plan under this subsection.*

*"(B) DEFINITION.—For purposes of this paragraph, the term 'qualified small public housing agency' means a public housing agency that meets all of the following requirements:*

*"(i) The sum of (I) the number of public housing dwelling units administered by the agency, and (II) the number of vouchers under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) administered by the agency, is 100 or fewer.*

*"(ii) The agency is not designated pursuant to section 6(j)(2) as a troubled public housing agency.*

*"(iii) The agency provides assurances satisfactory to the Secretary that notwithstanding the inapplicability of the requirements under this section relating to resident advisory boards and public hearings and notice, residents of public housing administered by the agency will have an adequate and comparable opportunity for participation and notice regarding establishment of the goals, objectives, and policies of the public housing agency."*

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member rises today to express his support for H.R. 27, the Small Public Housing Authority Act. The bill, which was introduced by this Member on January 27, 2003, will be considered under suspension of the rules. This legislation, which addresses the annual plan requirements for small public housing authorities passed the Committee on Financial Services by a unanimous, bipartisan voice vote on March 17, 2004. It is important to note that this Member introduced this legislation in the 107th Congress as well.

First, this Member would like to thank both the distinguished gentleman from Ohio (Chairman OXLEY) and the gentleman from Massachusetts (Mr. FRANK), the ranking minority member, for their efforts in bringing this measure to the floor.

Indeed, following some concerns and suggestions from the gentleman from Massachusetts (Mr. FRANK), compromise language was agreed upon to ensure unanimous support for this legislation. It should be noted for background that the Public Housing Reform Act requires PHAs to submit both a 5-year plan and an annual plan to HUD. The 5-year PHA plan addresses the Agency's mission and their plan to achieve their mission. The annual plan

requires PHAs to provide details about updates or changes to the 5-year plan.

Specifically, the annual plan, among other things, has typically asked for the following information: Housing needs of the families in the jurisdiction; strategies to meet these needs; statement of financial resources; and PHA policies governing eligibility, selection, and admissions. HUD has made the effort to streamline this annual planning for small PHAs and for high-performing PHAs. However, incredibly, an example of a streamlined plan was still 47 pages with extensive attachments.

This legislation would exempt small PHAs from being required to submit that annual plan to HUD. Under the bill as it passed the House Committee on Financial Services, a small PHA is defined to be one which has 100 or fewer combined public housing units and section 8 vouchers. PHAs, which are exempt from the annual planning requirement, would still have to prepare a 5-year plan. Moreover, a small PHA which is designated as a troubled housing agency by HUD would still be required to submit that annual plan.

This legislation also includes a provision that tenants of small PHAs which are exempt from the annual planning requirement must continue to have an adequate and comparable opportunity for participation and notice regarding the establishment of goals, objectives and policies of that PHA.

Mr. Speaker, this legislation is needed to simply provide some regulatory burden relief to small PHAs which do not have the time, staff or resources to do these annual HUD plans by themselves. Many of these small PHAs only have a part-time executive director. Currently, small PHAs are forced to hire consultants since they do not have the computer software package to complete these annual plans, and these consultants are expensive costs for small PHAs which already face some daunting financial challenges.

Mr. Speaker, I think it is important to note that these small PHAs are located across the entire Nation. Today this Member will focus on the small PHAs in Nebraska because I am most familiar with them. For example, in this Member's district, there are 23 PHAs which would qualify under the definition used for small PHAs. There are approximately 60 PHAs in Nebraska statewide which qualify as small PHAs under this bill, especially in the district of the gentleman from Nebraska (Mr. OSBORNE), and he will speak on that.

To give a not-atypical example from this Member's congressional district, the village of Beemer is a community of 773 people, according to the last census. They have a PHA which administered just 20 public housing units and no section 8 vouchers. Under the current law, the Beemer PHA is required to submit the extensive annual plan to HUD which I have mentioned.

In conclusion, this bill contains reasonable provisions regarding PHA annual plans which enjoy bipartisan support. This Member would urge his colleagues to support H.R. 27, the Small Public Housing Authority Act.

Mr. Speaker, I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this bipartisan legislation offered by the gentleman from Nebraska (Mr. BEREUTER) which would ease the paperwork requirements for certain small public housing authorities and reduce their need to hire consultants to prepare housing plans, and I would like to congratulate both the gentleman from Ohio (Mr. OXLEY) and ranking member, the gentleman from Massachusetts (Mr. FRANK), for the leadership they provided, recognizing that it is important for us to come together from time to time to work to get rid of unnecessary regulations and they have done that with this bill.

H.R. 27 would exempt small housing authorities that administer 100 or fewer units of assisted housing from the requirement to prepare an annual public housing agency plan. The threshold would include both public housing units and vouchers under section 8 of the United States Housing Act of 1937.

The affected small housing authorities would remain subject to the Public Housing Reform Act's requirement to submit a 5-year PHA plan to the Department of Housing and Urban Development that addresses the Agency's mission and its plan to achieve its mission.

In order to qualify as a small housing authority under this bill, an agency would have to provide assurances satisfactory to the Secretary of HUD that notwithstanding the inapplicability of certain provisions relating to resident advisory boards and public hearings and notice, residents of public housing administered by the Agency will have an adequate and comparable opportunity for participation and notice regarding establishment of the goals, objectives and policies of the public housing agency.

The objective of this legislation simply is to reduce the administration workload of small PHAs. The goal of H.R. 27 is to give executive directors of small PHAs more time to focus on the needs of their tenants, rather than having to spend time and resources completing an annual plan for submission to HUD.

Mr. Speaker, I believe this legislation will help to limit the burden on small PHAs while providing the necessary protections to ensure that tenants will have the opportunity for input into the small PHA's 5-year plan. I urge all of my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. BEREUTER. Mr. Speaker, I thank the gentlewoman for her sup-

portive comments as we try to meet the Nation's diverse housing needs.

Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. OSBORNE).

Mr. OSBORNE. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in support of H.R. 27, which was introduced by the gentleman from Nebraska (Mr. BEREUTER), and thank the gentleman for his long and effective service to Congress over many years. He has done a great job and has been very helpful to me and other people in Nebraska.

Mr. Speaker, there are over 50 small public housing authorities in my district that will benefit from this legislation. I think the gentleman from Nebraska (Mr. BEREUTER) mentioned there are 60 in the State of Nebraska. My district is almost entirely rural. Most of these PHAs are very, very small, and so we have the vast majority in this particular district.

As the gentleman from Nebraska (Mr. BEREUTER) mentioned, this legislation is needed to simply provide some regulatory burden relief to small PHAs which do not have the time or staff or resources to do housing and urban development plans by themselves. Many of these PHAs have only a part-time executive director, and they hire consultants. Sometimes these PHAs are spending \$600 to \$1,000 a year just for a consultant's fee, and the complexity and length of the reports are ridiculous for the size of the PHA.

If a small PHA in my district is able to create the report, they often have difficulty in filing that report because the Internet dial-up systems are extremely slow, and often they are disconnected before their reports are filed.

So this bill really does what Congress oftentimes fails to do, which is to provide some much-needed regulatory relief. It simplifies rather than complicates the process. I would like to thank the gentleman from Nebraska (Mr. BEREUTER) for introducing this legislation, the gentleman from Ohio (Mr. OXLEY) the chairman of the Committee on Financial Services, the gentleman from Massachusetts (Mr. FRANK), and the gentlewoman from California (Ms. WATERS) for their efforts in bringing this measure to the House floor. I urge its support.

Mr. NEY. Mr. Speaker, I rise today to express my support for H.R. 27, the Small Public Housing Authority Act. This legislation addresses the regulatory burdens placed on smaller Public Housing Authorities (PHAs) to comply with annual planning requirements enacted into law under the Quality Housing and Work Responsibility Act of 1998. I am confident that passage of this bill would correct an adverse unintended consequence for smaller PHAs. This legislation passed the House Financial Services Committee, by a unanimous bipartisan voice vote on March 17, 2004.

The authors of the 1998 Act envisioned a planning process for PHAs that could be used as a tool for advancing management, bud-

eting, forecasting and tenant needs, among other things. The 1998 Act required a 5-year plan as well as annual planning updates. In the best of all worlds, Congress intended for this tool to be complimentary of the great things that PHAs were currently undertaking to meet the new challenges of housing low-income families and individuals. What Congress did not intend, however, was a complicated planning system that would require many PHAs to hire expensive consultants and detract resources from other management issues.

Advocates of the 5-year and annual planning process argue that this management tool would require PHAs to engage tenants and actually provide de facto business plans that would assist in meeting future challenges before a crisis occurs. Opponents claim that both planning requirements have been a paper exercise taking away employee and funding resources that could be applied to other management needs. We have yet to get a complete picture of whether the planning process is a useful exercise. I think that it is something that the Committee should continue to review.

We are clear, however, that the smaller PHAs, of which we define in this legislation as those authorities with no more than 100 units or section 8 vouchers, have had difficulty complying with the annual requirements. This legislation would provide much needed regulatory relief for these smaller organizations where the development of the annual plans usually falls on a staff composed of very few individuals.

Mindful that the planning process has been used as an effective tool for tenant groups to provide input to PHA management, we have provided language to preserve the tenant's rights. This, we believe, is a healthy balance between the needs and resources of the PHA management teams as well as the needs of the tenants and their respective organizations.

On a final note, let me just say that it has been my pleasure to work with the sponsor of this legislation—the Gentleman from Nebraska—over the almost 10 years I have served in Congress and on the Committee on Financial Services and its predecessor—the Committee on Banking and Financial Service. Mr. BEREUTER has been an expert on a variety of issues, not limited to rural housing where he developed numerous programs such as the single family loan guarantee program as well as the multifamily loan guarantee program. In addition, he has been instrumental on reauthorizing the National Flood Insurance Program and providing much needed reform to address repetitive loss issues. I am hopeful that the flood insurance bill will be signed into law before Mr. BEREUTER retires.

On issues such as the legislation today, Mr. BEREUTER has ensured that rural and small-town America would be heard and their perspectives recognized. Mr. BEREUTER will retire at the end of this summer and I ask all of my colleagues to join me in wishing him well and thanking him for his service.

Finally, I want to thank the Committee Chairman, Mr. MIKE OXLEY, as well as the Ranking Chairman, Mr. BARNEY FRANK, for moving this bill through the Committee. Moreover, I want to thank the Housing Subcommittee's Ranking Member, Ms. MAXINE WATERS, for all her hard work on this and many issues facing this Subcommittee.

Mr. Speaker, I urge passage of H.R. 27.



Mr. OXLEY. Mr. Speaker, I rise today to express my support for H.R. 27, the Small Public Housing Authority Act. This bill will be considered under the suspension of the rules. This legislation, which addresses the annual plan requirement for small public housing authorities (PHAs), passed the House Financial Services Committee by a unanimous bipartisan voice vote on March 17, 2004.

First, I would like to thank the distinguished gentleman from Nebraska (Mr. BEREUTER), the author of this legislation, for his efforts in attempting to reduce the regulatory burdens that small PHAs face. I would also like to thank the distinguished gentleman from Massachusetts (Mr. FRANK), the Chairman of the Subcommittee for Housing and Community Opportunity, Mr. BOB NEY, and the ranking member, Ms. MAXINE WATERS, for their support of H.R. 27.

This legislation would exempt small PHAs from being required to submit an annual plan to the Department of Housing and Urban Development (HUD). Under current law, PHAs are required to submit both a 5-year plan and an annual plan to HUD. This legislation is needed to provide some regulatory relief to small PHAs who do not have the resources or time to do these HUD annual plans by themselves. Currently, small PHAs are having to hire expensive third parties to complete these annual plans. Furthermore, an indirect result of this bill would give executive directors of these small PHAs more time to focus on the important needs of their tenants.

The exemption of these smaller PHAs will not have an adverse impact on the ability of tenant organizations to continue to have input with the manager's of their developments. Language was incorporated into the legislation to ensure tenant's participation. Additionally, I want to assure my colleagues that this legislation will still require smaller PHAs to provide the forward-type thinking and advance planning as required under the 5-year plans.

The larger question, however, raised by this legislation is whether the planning requirements for smaller and larger PHAs alike can be a useful tool. It appears that the jury is still out on that question and the Committee will review the issue to determine how we can provide as much flexibility to the Public Housing Authorities, decrease unnecessary regulatory burdens as well as ensure that tenants have a stake in the communities where they live.

In conclusion, I want to urge your support for H.R. 27. This bipartisan bill contains important provisions to reduce the regulatory burdens on small PHAs.

Ms. WATERS. Mr. Speaker, I urge an aye vote on the bill, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I urge an aye vote, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CHOCOLA). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the bill, H.R. 27, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1745

# EXPRESSING SENSE OF HOUSE REGARDING NEED FOR FREEDOM AND DEMOCRATIC REFORM IN LAOS

Mr. BURTON of Indiana. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 402) expressing the sense of the House of Representatives regarding the urgent need for freedom, democratic reform, and international monitoring of elections, human rights and religious liberty in the Lao People's Democratic Republic.

The Clerk read as follows:

H. RES. 402

Whereas, in 1975, the Kingdom of Laos, a constitutional monarchy and important ally of the United States during the Vietnam War, was overthrown by the Marxist Lao People's Revolutionary Party with the assistance of the People's Army of North Vietnam;

Whereas the Lao People's Democratic Republic was established as a one-party regime in 1975 following the communist takeover;

Whereas tens of thousands of Laotian and Hmong people, a prominent highland minority group, were killed or died at the hands of communist forces while attempting to flee the Lao communist regime, and many others perished in reeducation and labor camps;

Whereas tens of thousands of Laotian and Hmong became refugees, eventually resettling in the United States where they now reside as American citizens and lead constructive lives as members of their communities;

Whereas the only political party allowed by law in Laos is the communist Lao People's Revolutionary Party;

Whereas, in 1989, Laos held its first elections since the establishment of the Lao People's Democratic Republic, but only candidates who were approved by the communist Lao People's Revolutionary Party were allowed to seek public office;

Whereas, in 1991, Laos adopted its first constitution which purports to guarantee the people of Laos a wide range of freedoms, including the freedoms of speech, assembly, and religion;

Whereas the Lao People's Revolutionary Party Congress meets every five years and controls or influences the organs of the state in Laos, including the armed forces, the security services, and the National Assembly;

Whereas the Lao People's Revolutionary Party promulgates the five-year state plans that control the economy and do not need to receive the approval of the National Assembly;

Whereas, in 1999, peaceful pro-democracy demonstrations held by Laotian students in the capital of Vientiane calling for political and economic reforms were suppressed by force by the Lao government, which arrested many of the students;

Whereas Amnesty International reports that many Laotian student leaders from the 1999 pro-democracy demonstrations continue to be held by the Lao government and languish in the Lao prison system or remain unaccounted for;

Whereas, in 2001, Olivier Dupuis, a Member of the European Parliament, was arrested and jailed in Laos along with a group of pro-democracy activists after peacefully protesting for the release of the Lao students and for democratic and human rights reforms in Laos;

Whereas international election monitors are currently not permitted to enter Laos to monitor elections;

Whereas Laos remains a one-party communist state that continues to prohibit the organizing of opposition political parties to the Lao People's Revolutionary Party;

Whereas, in 2002, elections for the Lao People's Democratic National Assembly were held nearly a year earlier than scheduled and excluded all candidates from political parties other than the Lao People's Revolutionary Party, as well as all overseas Laotians;

Whereas Amnesty International and other independent human rights organizations are not permitted to enter Laos to monitor or investigate the human rights situation or reports of alleged human rights violations;

Whereas, in 2003, the United States Commission on International Religious Freedom issued a country report on religious persecution in Laos, recommending that the President designate Laos as a "country of particular concern";

Whereas the Department of State reported in its most recent Country Report on Human Rights Practices in Laos that Laos restricts its citizens from enjoying the freedoms of speech, assembly, and religion, and from undertaking activities to change their government;

Whereas, in 2003, the United Nations Committee on Elimination of Racial Discrimination stated that the Lao government had failed to honor its obligations, and the Committee expressed its grave concerns at the information it had received of serious and repeated human rights violations in Laos;

Whereas, in October 2003, Amnesty International issued a statement detailing its concern about the use of starvation by the Lao government as a weapon of war against civilians in Laos and the deteriorating situation facing thousands of family members of ethnic minority groups, predominantly the Hmong;

Whereas, in 2003, Amnesty International's International Secretariat, in a statement further detailing its concerns about Laos, condemned in the strongest terms the use of starvation as a weapon of war against civilians and cited it as a clear and serious violation of the Geneva Conventions that Laos has ratified;

Whereas because many Laotians and Hmong, including those in the overseas communities, are not members of the Lao People's Revolutionary Party, they do not meet with its approval as political candidates, but they are nevertheless successful businessmen, technocrats, and community and religious leaders with democratic aspirations and concern for the people of Laos; and

Whereas the United States has a vital interest in the worldwide promotion of democratic principles and respect for human rights, and supports democratic reforms in Laos: Now, therefore, be it

*Resolved*, That the House of Representatives strongly supports the following points and urges the Government of the Lao People's Democratic Republic, the United Nations, the European Union, and the Association of South East Asian Nations—

(1) to work to provide unrestricted access to Laos by international election monitors for upcoming presidential and National Assembly elections;

(2) to work to provide unrestricted access to Laos, including special closed military zones and closed provinces, by international human rights organizations, the United Nations, the United States Commission on International Religious Freedom, and humanitarian aid organizations;

(3) to work to ensure that opposition political parties and their candidates are allowed to run for public office in multi-party elections without regard to gender, race, ethnicity, religion, economic standing, or political affiliation, and that all adult citizens of



Laos, including overseas Laotian citizens, are permitted to vote and run for public office;

(4) to allow the citizens of Laos to assemble and peacefully protest against the Government of Laos, the Lao People's Revolutionary Party, and individual public officials, and to freely organize opposition groups and independent political parties;

(5) to heed the call by the United Nations Committee on Elimination of Racial Discrimination for the Lao People's Revolutionary Party to halt immediately all acts of violence against the Hmong population and provide them with humanitarian assistance;

(6) to work to gain the immediate release of those students and their family members arrested and jailed in connection with the 1999 pro-democracy demonstrations, as well as all other political prisoners, prisoners of conscience, and those jailed for their religious beliefs or ethnicity; and

(7) to work to implement the recommendations of the United States Commission on International Religious Freedom with respect to promoting religious freedom in Laos.

The SPEAKER pro tempore (Mr. CHOCOLA). Pursuant to the rule, the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BURTON).

#### GENERAL LEAVE

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

As the sponsor of H. Res. 402, this resolution which expresses the strong sense of the House in support of election monitors, human rights and religious liberty in Laos is a very important piece of legislation. Since the 1975 overthrow of the Lao monarchy, Laos has been a one-party, Communist state in which the Lao People's Revolutionary Party is the only party allowed by law; and the repression there, Mr. Speaker, is unbelievable.

Although the 1991 Lao Constitution claimed to guarantee a wide range of freedoms, peaceful pro-democracy demonstrations in 1999 were forcibly suppressed. Many of those demonstrators remain in prison. The government of Laos continues to restrict basic freedoms and has been credibly accused of using starvation against civilians and of continuing its persecution of the courageous Hmong ethnic minority.

I sincerely appreciate and support the Hmong people in their fight for freedom and democracy. They and the entire Laotian people deserve our complete support and assistance. We must address the current human rights situation while pressing for real progress in Laos.

H. Res. 402 urges the Lao Government and international bodies to work to-

ward access for international election and human rights monitors, genuine multiparty democracy, and the halt of violence against the Hmong, also the release of political and religious prisoners and the promotion of religious freedom throughout Laos.

These are worthy goals. I urge the Communist government in Laos to change their attitude toward these people. I urge all of my colleagues here in this body to support this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume. I rise in strong support of this resolution, and I urge my colleagues to do so as well.

First, I want to commend my good friend from Indiana, my distinguished colleague, for introducing this resolution; and I want to commend the gentlewoman from Minnesota (Ms. MCCOLLUM), the distinguished member of the Committee on International Relations, for her strong leadership on all matters related to Laos. We greatly appreciate her hard work on this long neglected region of the world.

Mr. Speaker, the bilateral relationship between the United States and Laos has been frozen in time since the end of the Vietnam War. While we have maintained a diplomatic mission in Laos, our bilateral contacts have been infrequent and low-level. Over the past few years, both the United States and Laos have made significant efforts to improve the quality of our bilateral relationship. Given the increasingly large number of Laotian and Hmong Americans in the United States, a warming in the relationship is long overdue. The President may soon, in fact, propose the granting of normal trade relations status to Laos.

As our relations with Laos become increasingly complex, the United States must not forget the ongoing deprivation of internationally recognized human rights in Laos as well as the totalitarian nature of the ruling regime. The promotion of human rights and religious and political freedom must always remain at the core of our agenda with Laos until the Laotian people can freely choose their own government, enjoy true political freedom, and freedom of worship as they wish.

Our resolution calls attention to the negative human rights situation in Laos and urges the United States, the European Union, the United Nations, and ASEAN nations to work for positive change in Laos. The Laotian Government continues to imprison brave young people who had the courage to publicly demonstrate for political change in 1999, and some local Laotian officials continue to harass Laotians of the Christian persuasion. The Laotian Government also does not allow free and fair elections, and it prohibits any organized political opposition.

Mr. Speaker, political and social change will come to Laos, and it is my hope that the United States and our al-

lies will make every effort to ensure that these fundamental reforms come sooner rather than later.

I strongly support passage of this resolution and urge all of my colleagues to do so as well.

Mr. Speaker, I am very pleased to yield 4 minutes to the distinguished gentlewoman from Minnesota (Ms. MCCOLLUM).

Ms. MCCOLLUM. I thank the gentleman from California (Mr. LANTOS) for his kind words.

Mr. Speaker, I rise today in support of this resolution, urging improved human rights, democratic reform and religious freedom in the Lao People's Democratic Republic. I would like to take this opportunity to thank the U.S. Ambassador in Laos, Douglas Hartwick, and his hardworking, dedicated staff at our embassy in Vientiane for their commitment toward human rights and reform in Laos.

Mr. Speaker, most Americans do not know very much about the country of Laos, but many people in my congressional district know this country very well. Minnesota is home to over 53,000 Hmong and Lao Americans. I represent one of the largest Hmong constituencies in the United States. My constituents and I strongly support improving human rights and the quality of life for the people of Laos. The Lao Government has been working cooperatively with the United States on international terrorism and helping to provide a full accounting of Americans missing in action from the Vietnam War. The Lao Government has taken steps to protect religious freedom and the hundreds of Hmong and Laotians from my district who have traveled to Laos have seen some improvement; but I want to state clearly, despite these steps, greater progress is still needed on human rights, religious tolerance, democratic rule of law, and transparency.

One way the Lao Government can demonstrate their commitment to reform is by allowing international humanitarian workers the ability to monitor the Hmong amnesty and resettlement program in order to ensure that the Hmong are receiving the humanitarian assistance they need and they deserve. My constituents and I are committed to advancing these efforts in Laos. If Laos is going to truly reform into a more open and democratic society, the United States needs to play a greater role in working with the Lao people and the Lao Government.

The United States policy of economic isolation has made it very difficult for the Hmong and Laotian Americans in my district to engage in economic activity that will improve the quality of life for their relatives in Laos. This failed U.S. policy of economic isolation has lasted close to 30 years, and it has had real human consequences, as extreme poverty is a fact of life for much of the people who live in Laos. The United Nations development program ranks Laos 143rd out of 173 countries in

terms of human development. Only half the population can read, 30 percent of the people will die before they are 40 years old, and 26 percent of the population lives on less than a dollar a day. One out of every 10 children will die before they reach the age of 5. I consider this fact a human rights tragedy.

The people of Laos also endure the deadly remnants of U.S. bombing from the Vietnam War. The United States flew more than 580,000 bombing runs over Laos. More than 2 million tons of ordnance were dropped on the country of Laos, double the amount dropped on Europe during World War II. Thousands of Laotian children and adults continue to die or become maimed as a result of this unexploded American ordnance. This, too, is a human rights tragedy and was documented by The Washington Post in an article this weekend. I insert this article for the RECORD.

[From the Washington Post Foreign Service, May 1, 2004]

IN LAOS, SIFTING THE EARTH FOR AMERICAN DEAD

(By Ellen Nakashima)

SARAVAN, LAOS.— On the first day of the dig, Franklin Damann spied what appeared to be a bone fragment resting on the soil surface. But he could not be sure. He put it in a Ziploc bag labeled "Possible Osseous Remains."

He hoped that the fragment, and several more found over the next few days, would yield DNA to help identify U.S. Air Force Col. Norman Dale Eaton or his navigator, Lt. Col. Paul E. Getchell. Their B-57 exploded and crashed on a remote hill in southern Laos in 1969, at the height of the Vietnam War.

Damann, a forensic anthropologist, and about a dozen U.S. service members shoveled and sifted hundreds of buckets of dirt from that metal-pocked hill in February. In several equally isolated and treacherous sites in Cambodia and Vietnam, other teams were also scanning for every shard of steel, canvas, plastic, bone or, best of all, tooth that might help identify men who died in the Vietnam War, more than 1,800 of whom are still missing.

Since 1992, 10 times a year, the military has sent teams to the old battlegrounds of Southeast Asia to search for Vietnam combatants' remains. Two to six teams go on each trip. So far, they have accounted for 724 Americans, according to the Pentagon.

But time is running out. Witnesses are dying. Investigators are now talking to people who can remember their fathers telling them about a crash site. The most accessible areas already have been excavated, and bone disintegrates more readily in the acidic soil of Southeast Asia.

It is an arduous yet optimistic endeavor, costing \$100 million a year spread over five agencies. Though the military has long proclaimed that no man or woman shall be left behind on the battlefield—and made recovery efforts for several years after World War II and the Korean War—it took the emotional upheaval of the Vietnam War to spur the government to undertake a continuous search effort. Scientists and recovery teams have been finding and identifying remains of those killed in World War II, the Korean War and the Cold War in Africa, Europe, Asia and the Pacific.

They have identified remains of about 500 service members from World War II, Korea and the Cold War. The U.S. military esti-

mates that 88,000 service members are still missing from all wars. The effort to find them is destined to continue, officials say, as long as the United States sends its men and women into battle zones.

"I can't think of a more noble mission," said Marine Capt. William P. "Bay" Dobbins, 29, leader of a team searching for the remains of a Navy pilot downed in southern Laos. Dobbins, who served in Iraq last year, said he had been waiting for this job with the Joint POW/MIA Accounting Command. "I love the idea of bringing these guys home," he said.

So it was that on a chilly morning in February, a dozen soldiers, airmen, sailors, Marines and Damann, who works at the Army's Central Identification Laboratory in Honolulu, piled into an aging Russian-made Mi-17 helicopter at the team's base camp in southern Laos. Twenty minutes later, they landed on a hill in Saravan province that was traversed by the Ho Chi Minh Trail, a network of paths used by the North Vietnamese to ferry supplies along the border with Laos into South Vietnam. The team hiked down a long, steep slope and, putting spade to soil, dug in a space roughly as long and wide as an Olympic swimming pool.

About 90 Laotian villagers, who live a day's trek away and were hired for a small daily wage, were already there. They formed a bucket brigade down the slope, men and women with high cheekbones and broad faces, wearing old jeans, Nike caps and wool head scarves.

Pairs of villagers rocked trays slung from bamboo poles, massaging red dirt through quarter-inch wire mesh. As a boombox blared a Motown mix, the American team members scanned for pieces of zipper, boot, oxygen hose—what the investigators call life support material.

The hill was not an easy one. At a 35-degree angle, it had a view at 3,700 feet of a valley below filling with deceptively fast-moving clouds. Army Sgt. Robert Bryson, in charge of team safety, warned the crew: "This site is dangerous. When the pilots say go, there's no lollygagging or we'll be here overnight."

During a mission three years ago, seven military personnel and nine Vietnamese died when their Mi-17 helicopter slammed into a fog-shrouded hill.

The site was surveyed last summer by Joan Baker, an anthropologist, who also works at the Honolulu forensics lab. She found no crash crater, leading her to conclude that the plane had exploded before it plunged. Her investigative team found hundreds of pieces of fan blades, wires and bolts strewn over more than 350 square yards. Then she saw a small metal object nestled in the roots of a tree. It was a dog tag, bearing Eaton's name. "It was pretty exciting," Baker recalled. "I couldn't believe it for a minute. I was like, 'No!'" Team members planted a yellow stake wherever they found even a jot of debris, turning the hill into a dandelion field of stakes.

Damann held up a slice of rusted metal to the gray light filtering through the trees. The words "cylinder hydraulic actuating" were still visible. The metal plate was engraved with the manufacturer's name, Glenn L. Martin Ltd., Baltimore, Md., which in the 1960s retrofitted the British-made B-57s from straight-and-level planes to dive bombers.

"We'll be pulling stuff all day," said Damann, a lanky Louisianan who analyzes skeletal remains to figure out a person's size, sex, race and other characteristics.

As it turned out, the team would not be pulling stuff all day. After lunch, the clouds rolled in, obscuring the valley below. Bryson gave the word to load up the buckets and gather the tools. "It's time to get off the hill," he said.

The son of a Vietnam Navy veteran, Bryson is a mortuary affairs specialist, or 92-Mike in Army lingo. He was on his 31st recovery mission to Southeast Asia, has worked directly with MIA families and relishes the satisfaction of delivering a memento to a wife or parent.

"There are cases where a family member said, 'He always carried a 1945 buffalo nickel,' and then you go to the site and dig and pull it out of the dirt," he said. "There are wedding rings, the crucifixes, wallets with pictures." Working one World War II case, he said, he found letters ready to be mailed home. "You bring them home to a wife or mother, and the gratitude is immense. That's pretty amazing you can do stuff like that."

UNEXPLODED ORDNANCE

Elderly locals are another source of information. Khampoy Khun, a grandfatherly man with an impish grin, was trying to clear a rice field about a decade ago when he came upon metal aircraft parts poking up from the soil. He eventually told his story to American investigators and led them to a site where a Navy pilot had plowed into a hill in April 1970.

"I would be very glad if the Americans find what they are looking for and can return the remains to the families," said Khampoy, 70, cheering on the Americans and Laotians digging, hauling and screening soil. "I think the families back home are hoping the remains will be found."

He had one request, though: that the United States do more to remove unexploded ordnance left from the war. "I am very poor," Khampoy said. "And I cannot work my rice fields with the unexploded bombs. It's all over the place."

In February, the team looking for the Navy pilot's remains unearthed a 500-pound unexploded bomb.

Between 1964 and 1973, the U.S. air campaign dropped more than 2 million tons of explosive ordnance on the hills and valleys of Laos, the world's most heavily bombed nation per capita, according to United Nations Development Program statistics. Some of the craters were as large as houses. Up to 30 percent of the ordnance, it is estimated, failed to detonate and continues to kill about 200 people, many of whom are children, each year, according to the program.

In fiscal 2003 the United States spent \$1.2 million on clearing the ordnance in Laos, about one-fourth of the total international donor aid to the effort, U.S. officials said.

After 30 days, Damann, Bryson and their team flew back to Honolulu. Another team took their place in March to continue the dig. All the evidence found is bagged and sent to the lab. There, a different set of anthropologists examines the remains and the life support material.

The lab, which is part of the U.S. Joint POW/MIA Accounting Command, identifies on average two Americans a week. The best way to make an identification is to match a tooth, especially one that has had a filling or a drilling, to dental records, Thomas Holland, the lab's scientific director, explained in a telephone interview from Honolulu. "No two fillings are alike," he said. "That's really how most identifications are made."

Even as the difficulty of the missions has increased, the technology has improved, Holland said. These days, up to 70 percent of cases are identified by matching mitochondrial DNA, which is passed down through the maternal line, from remains to a relative from the same maternal line, he said. About five grams of dense bone, the type found in the arm or leg, is needed to gather enough DNA for an identification.

In the mid-1990s, the military began taking a DNA sample from all service members in case it is needed for identification.

## 'OFF TARGET'

On the night of Jan. 13, 1969, Eaton and Getchell took off from Phan Rang Air Base in South Vietnam. They flew west toward Laos, to drop bombs and napalm on a target along the Ho Chi Minh Trail in an effort to disrupt the enemy's supply line.

Eaton's last recorded words before the plane crashed were "Off target," according to a wartime Air Force report. A C-130 pilot who was flying nearby, directing Eaton's strike, said that his cockpit was lit up by the flash from the bomb Eaton dropped, and lit up again five seconds later by the B-57's crash, according to the report. No parachutes were seen. A two-second emergency beeper signal was heard by another aircraft in the area, but it was unclear if that was from Eaton or Getchell.

Eaton, then 43, had always said that when he went, he wanted to "go down in a ball of fire," his wife, Jeanne Eaton, now 75, recalled in a telephone interview from Alexandria. He loved to fly, loved "that wonderful, celestial feeling," she said, though he had his concerns about the war.

Eaton's oldest son, Paul Eaton, 53, is now a major general in the Army, stationed in Baghdad, the commander in charge of training the nascent postwar Iraqi army.

Gethell was 32, slender, dark-haired and a carpenter with a philosophy degree. "He was always learning and reading," and looked forward to teaching, recalled his widow, Teresa Gethell, 67.

As the years passed, the two women, who have never remarried, gradually came to terms with their husbands' deaths. For Gethell, it has been so long since her husband died, she said, that finding any remains now will not mean much. "It will just verify what I feel is already the case, that he's gone," she said from her winter home in Bradenton, Fla.

For Eaton, the search holds out hope for some peace of heart.

"The very fact that they found my husband's dog tags, at least there's a substance there, there's a reality," she said. "Hopefully, they will find some tangible evidence of him."

In March, the team that took over from Damann found more possible remains at the site. The evidence will be sent to the lab. A new team returns in June to continue the hunt.

The United States must work with the Lao Government to remove this unexploded ordnance. To address this issue, I have submitted a request to the Committee on Appropriations to expand the cleanup of unexploded ordnance in Laos. I ask my colleagues today who care so deeply about human rights in Laos to join me in this effort. Today I support this resolution because my constituents who have family members in Laos want reform now.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend from California for yielding me this time and for his leadership on this issue, and I thank my colleague from Indiana for offering this resolution of which I am a proud cosponsor.

Mr. Speaker, I hope the body tomorrow when it comes up for consideration will adopt this resolution. This is a very serious matter in regard to some of the practices and the abuses I feel that are currently taking place in

Laos. The resolution is very simple, expressing the sense of the House regarding the urgent need for freedom and democratic reform and international monitoring of elections, human rights and religious liberty in the Lao People's Democratic Republic.

The United States owes a debt of gratitude to the Hmong veterans and their families who served as loyal and dedicated allies during the so-called secret war in southeast Asia and the Vietnam conflict, a war that many Hmong members participated in on the side of U.S. soldiers in the jungles of southeast Asia. Between 20,000 and 30,000 Hmong lost their lives during this time and more than 100,000 Hmong were forced to either flee or live in refugee camps after the U.S. pullout in southeast Asia. Through their sacrifices, many American lives were saved, and our Nation must remain committed to recognizing their service.

Today, approximately 170,000 Hmong currently reside in the United States, including 35,000 in my home State of Wisconsin. Many of these Hmong Americans have family members still in Laos facing constant allegations of harassment, imprisonment, even kidnapping and killing of ethnic Hmong by Lao authorities. These have been brought to my attention, and these allegations have been raised in many different forums. Due to modern technology, many of these reports are coming out of Laos almost simultaneously when they are occurring through the advent of cell phones documenting the abuse and some of the atrocities being committed there.

I believe it is time for this Congress and the administration to support international observance teams to go into Laos to observe firsthand the conditions that are occurring there. We need the support from our administration and from the Congress, I think, to put pressure on the government there to accept these international teams of observers. The Lao Government has one of the most egregious human rights records in the world. The State Department's own country report on human rights practices in Laos makes clear the lack of respect for human rights demonstrated by the Lao Government.

Finally, Mr. Speaker, there are many Hmong families still in Wisconsin and throughout the country who are very concerned in regards to the conditions of their own families or relatives or friends who are still in Laos. They come to Washington from time to time. These are a proud people, many of whom have now achieved their U.S. citizenship. They are productive members of our society. Their children are in our schools, growing up to get an American education and be productive citizens in the country. But their ties back to Laos still remain very strong, and it runs very deep. I think this body, this United States Congress, owes it to them, our friends and allies and in many instances our neighbors

and citizens in our own community, to take these allegations seriously, to increase the pressure on the Lao Government to allow inspections, to allow the investigation to go forward within that country so we can document and definitively determine what the situation is inside that border. I encourage my colleagues to support the resolution. I thank my colleagues for bringing it forward this evening.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 4 minutes to the distinguished gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. I thank the gentleman from California for yielding me this time.

Mr. Speaker, I have just returned from several days of meetings in Vientiane and Luang Prabang not only with our own very able Ambassador Doug Hartwick but his excellent embassy staff and also with Lao Government officials and many private citizens, Americans and others, who are living and working in Laos. There is a more complex and changing pictures than the wording of this resolution portrays.

Our discussions covered a wide range of topics, including the government's deficiencies in addressing human rights and political transparency issues as detailed in H. Res. 402, and I was very clear in my conversations with the Lao leaders about the urgency of meeting international standards particularly with respect to the Hmong and other indigenous people who have been the subject of ill treatment and repression.

□ 1800

I share the concerns of the authors of this resolution that Laos, like many other countries in Southeast Asia and elsewhere, should make substantial improvements in the openness of their political and judicial processes and comply with internationally recognized human, religious, and labor rights and promote economic reforms that will raise the standard of living of its citizens through improved investment and trade.

This resolution addresses those issues, and I do not think that many would argue with the historical record. My concern, however, is that the resolution fails to take into account the many significant developments of the U.S.-Lao relationship as well as the internal changes that are not only noteworthy, but address some of the issues raised in this resolution. We are involved in major efforts, and we are getting major cooperation in antidrug efforts in Laos through the cooperation of the Lao government aimed at reducing opium and amphetamine trade that reaches from Southeast Asia to the streets of the American cities.

Our people report a strong cooperation in this effort with the Lao authorities. In the areas of POW/MIA, hundreds of Americans from the Vietnam era are still missing in Laos, and we are sending forensic teams to Laos

several times a year to locate and repatriate the remains of those service people. Again, according to our government, we are receiving strong cooperation from the Lao government, but this resolution has been silent on that important effort.

Certainly the issue of human rights and the Hmong population, as well as other minorities, is a particularly sensitive subject in the Lao-American community in the United States, and I imagine that is the issue pushing this resolution to the forefront at this time. This resolution fails, however, to note that for a variety of reasons, some having to do with international pressure and some having to do with internal economics and politics, the Lao government has been urging Hmong and other dissidents to come out of the mountains where they have been hidden for many decades. The government has pledged to assist in the relocation and settlement of these groups, and I would note that Secretary of State Powell has told the Lao government the United States would like to offer assistance in these efforts.

While there is reason aplenty for hesitation given the fate of others throughout the world who have acquiesced in "resettlement" campaigns, the reports I received while in Laos, across the board, testified to the positive response of the refugees. Moreover, there were few, if any, reports of abusive or unhelpful treatment by the government. There is no mention of that in this resolution.

The concerns that this resolution raise about conditions in Laos are justified, and we should be clear that virtually identical situations exist in far too many countries. I would also like to make it very clear that the Lao government fully cooperate with the opinion of the international community that has long been concerned with the treatment of minority groups within their country and make sure they, in fact, are open to allowing our ambassador to travel to the areas in question where people are engaged in coming out, the Hmong and others, to make sure that the resettlement issues are occurring, that these people are being treated properly, and that there is no action taken against them.

So I would hope that the Lao government would be more open to the request of Secretary Powell, of our ambassador, of the international community. But again, I would state for those who have been there, for the international community, the international press, the suggestion is that this resettlement is going very fairly well, given the tensions that have existed for over so many years.

So I appreciate this resolution coming forward. I would hope that it would have given a little bit more recognition to those areas that we are getting cooperation, and that we will continue to work on opening this relationship with the Lao people, and clearly the support of the normal trade relations that we

may have an opportunity to vote on later would go a long way in terms of improving the economy and some of the human rights issues within the Nation of Laos.

Mr. Speaker, I have just returned from several days of meetings in Vientiane and Luang Prabang with not only our own very able ambassador, Douglas Hartwick and his excellent embassy staff, but also with Lao government officials and other private citizens—American and others—who are living and working in Laos. There is a more complex and changing picture than the wording of this resolution portrays.

Our discussions covered a wide range of topics, including that government's deficiencies in addressing human rights and political transparency issues that are detailed in H. Res. 402, and I was very clear in my conversations with Lao leaders about the urgency of meeting international standards particularly with respect to Hmong and other indigenous groups that have been the subject of ill-treatment and repression. I share the concerns of the authors of this resolution that Laos, like many other countries in Southeast Asia and elsewhere, should make substantial improvements in the openness of their political and judicial processes, comply with internationally recognized human, religious and labor rights, and promote the economic reforms that will raise the standard of living of their citizens through improved investment and trade.

This resolution addresses those issues, and I do not think many would argue with the historical record. My concern, however, is that this resolution fails to take into account very significant developments in the U.S.-Lao relationship, as well as internal changes that are not only noteworthy, but that address some of the issues raised in the resolution.

This is a delicate state in U.S.-Lao relations. We are deeply involved with that government in a range of initiatives that are critical to our own national security. I met with several U.S. personnel, for example, involved in major anti-drug efforts in cooperation with the Lao government aimed at reducing the opium and amphetamine trade that reaches from Southeast Asia to the streets of American cities. Our people reported strong cooperation from the Lao authorities and progress in turning Lao citizens against the drug trade, but this resolution ignores this cooperation.

We are also deeply involved in POW-MIA efforts in Laos, as was documented last week in the New York Times. Hundreds of Americans from the Vietnam War era are still missing in Laos, and we are sending forensic recovery teams to Laos several times a year to locate and repatriate the remains of servicemen. Again according to our government, we are receiving strong cooperation of the Lao government, but this resolution is silent on this important initiative.

Certainly the issue of human rights and the Hmong population, as well as other minorities, is a particularly sensitive subject in the Lao-American community in the United States, and I imagine that is the issue pushing this resolution to the forefront at this time. The resolution fails, however, to note that for a variety of reasons—some having to do with international pressure and some having to do with internal economics and politics—the Lao government has been urging Hmong and other dissidents to come out of the mountains where some

have hidden for several decades. The government has pledged to assist in the relocation and settlement of these groups, and I would note that Secretary of State Powell has told the Lao government that the United States would like to offer its assistance in these efforts. While there is reason aplenty for hesitation given the fate of others throughout the world who have acquiesced in "resettlement" campaigns, the reports I received in Laos, across the board, testified to the positive response of the refugees; moreover, there were few if any reports of abusive or unhelpful treatment by the government. But there is no mention of that cooperation in this resolution.

It is also important that the House understand that there have been some very serious incidents of violence and threats of violence with the Lao-American community in recent weeks, including assaults on those peacefully demonstrating in support of expanded trade with Laos, arson, and threats of assassination on certain radio stations. Members of the House should be helping to defuse this situation, not adding to the ill-feelings. So it is very important that what we say and do regarding Laos and the Lao community not be misunderstood or mis-stated.

The concerns that this resolution raises about conditions in Laos are justified, but we should be clear that virtually identical statements could be made about many other countries in the region or elsewhere in the world, including those with which we have very extensive economic and political relations. We want improvements and we should continue our efforts both bilaterally and through the U.N. and N.G.O.s to build a free and open society in Laos. One important step would be for more Members of Congress to visit the country and deliver the same message I did; yet only one other Member of the House has been to Laos in the last 5 years, I am told.

One important way for us to improve our relationship and encourage the kinds of reforms we would like to see in Laos is to grant Normal Trade Relations to that country. Laos is one of only three countries in the world with which we do not have NTR, and the only country with which we have full diplomatic relations lacking that status. Laos is far too small and poor to have an impact on the U.S. economy or jobs, but granting NTR will have a significant impact on the economy in that impoverished nation, allowing it to participate in the kind of positive economic improvements that have begun to transform Vietnam and Cambodia. Now that this resolution has been brought to the floor, I would hope that NTR for Laos would similarly be scheduled for House consideration.

I have many Lao-Americans in my own district, and I have had a close working relationship with them for a number of years. Most are refugees themselves from the repression of the post-war Lao government. They have built families, businesses, social and political organizations, and productive and cooperative lives in the United States. And together with many other Lao-Americans, they have begun to re-engage in a relationship with the country of their birth.

Members of the USA-Lao NTR Coalition, including the Lao-American Exchange Institute, the Laotian-American National Coalition and the Laotian-American Chamber of Commerce visited Laos last year and produced the important "Citizen Initiative Report." I would like to

recognize in particular Mr. Sary Tatpaporn, the Coalition's coordinator and vice president of the Laotian-American Chamber of Commerce, along with Dr. Richard Chansombat of the Lao-American Exchange, who authored the report on the trip detailing their meetings with government and private leaders. Many of these Lao-American leaders have reversed past opposition and now are urging the passage of NTR so that the economy of their former country can grow and more of their former countrymen can share in the prosperity that investment, trade and modernization can bring.

Our relationship with Laos is long and complex, and it is changing for the better. We should be encouraging the positive steps Laos is taking on a wide range of issues, and we should be expanding our cooperation with that country as we have with other nations whose domestic policies we continue to question. We also need to recognize that some of the suspicion and distrust within the Lao leadership is due to continuing threats against that government from opposition elements within the United States, as was acknowledged during the recently held conference of Lao-American leaders at the State Department.

At the same time, the Lao government must fully cooperate with the opinion of the international community that has long been concerned with the treatment of minority groups within the country, and wish to ensure that current resettlement effort comport with internationally recognized standards. As I have noted, our own Secretary of State has offered assistance in the resettlement efforts, and our Ambassador has requested permission for his staff to visit the areas where resettlement is occurring to assure that these citizens are being treated fairly. International relief agencies also are interested in monitoring the efforts. I would hope that the Lao government would fully cooperate with these initiatives and allow for independent observation of resettlement activities. That government should understand that a well-conducted, independently verified resettlement effort will dramatically affect the perception of Laos in the world community.

Consideration of this resolution today should mark the beginning of a renewed interest and engagement in Laos by the House, not a one-time venting of opinion that ignores positive developments that are taking place and jeopardizes a longer agenda we should continue to pursue, including passage of NTR later this year. I look forward to working constructively with my colleagues towards a closer relationship with Laos which will encourage the kinds of reforms we all hope will be implemented in that nation.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

I would like to just say the previous speaker made some very valid points, and I appreciate his remarks. However, the human rights violations in Laos continues to be widespread. There is a lot of suspicion on the part of the Hmong who are being talked about being relocated, and that suspicion, I think, looking at the history of the Laotian government, is valid. And all I

can say in closing, Mr. Speaker, is that human rights are just that, rights, and the Laotian government, which is a communist government, ought to take a hard look at history and realize that communism cannot last as long as it represses its people. And they ought to realize that long-term freedom and democracy is the only way to go, and if they do that, then I think the people in Laos have a bright future. But if they continue under this despotic communist regime, then I think they are in for more problems down the road.

In any event, I appreciate the gentleman from California (Mr. LANTOS) and his support and those who speak before me.

Mr. GREEN of Wisconsin. Mr. Speaker, before this House today I would like to restate my strong support for H. Res. 402, of which I am a cosponsor. As a leading critic of the Laotian government in the U.S. House of Representatives, I am very pleased that this legislation has made it to the House floor today, and believe it speaks directly to the question—which has been hotly debated in recent years—of whether or not we ought to grant Laos Normal Trade Relations status. As most members of this House know, I am staunchly opposed to our nation providing the brutal regime in Laos with any improved relationship until it gets its act together on a whole host of issues. Granting Laos NTR before we see some real movement toward change is ill-advised, inappropriate, and just plain wrong.

In support of H. Res. 402, I am asking today for a number of important items to be read into the RECORD. First, an article that recently appeared in the Appleton Post-Crescent on the case of Houa Ly, one of my Hmong-American constituents who went missing at the Thailand-Laos border in 1999. Second, a pair of letters 21 other Members of Congress and I sent to the administration last year, detailing many of the problems we see with the Laotian government, and reiterating our opposition to NTR for Laos. I appreciate in advance your consideration of the issues presented in these documents, and look forward to continuing to work to advance the freedom of the Laotian people.

FAMILY'S PLIGHT AT HEART OF TRADE  
RELATIONS CLASH  
(By Ed Culhane)

Neng Xiong Ly is consumed by sadness.

It has been five years since the Appleton woman's husband, Houa Ly, was waylaid on the banks of the Mekong River, the border between Thailand and his home country of Laos.

No one has seen him or heard from him since. Deprive of her husband, Neng Xiong Ly teeters on the edge of poverty. Asked to describe life without her husband, she wept softly. "I must be the poorest American," she said in her native language. Houa Ly (pronounced HOO-AH LEE) was 55 when he vanished, a veteran of the U.S. "secret war" in Laos, a Vietnam-era medic who saved the lives of American pilots shot down in the jungle. His disappearance, still shrouded in mystery, has re-emerged at the center of a political fight on the floor of the U.S. Congress. With the support of President Bush and the U.S. State Department, the communist government of Laos is seeking the benefits of Normal Trade Relations status. But a group of 21 congressmen and senators, led by Rep. Mark Green, R-Green Bay, so far

has blocked those benefits. Green argues that the country's leaders—who deny any knowledge of Ly—have not come clean. Even now, Green said, the last of the rebellious Hmong in the jungles of northern Laos are being systemically starved, raped, tortured and killed by Laotian forces and by divisions of Vietnamese soldiers operating in Laos. "It's brutal, it's repressive and it's barbaric," Green said. "It's hard for Americans to fully comprehend the barbarity and the contempt for human rights that exists in that area." Yer Ly of St. Paul, Minn., one of five daughters Houa Ly and Neng Xiong raised in the Fox Valley, said she misses her father terribly. Her children miss him. "He is just the best," she said. "There is no word to say he is this or that. He is just the best."

WORLDS APART

Neng Xiong Ly speaks little English. She works nights on a production line for a local manufacturer. Her take-home pay is about \$1,000 a month. All but \$100 of that is swallowed by the mortgage on their home. "Se is really struggling a lot," said her daughter, Ge, who acted as a translator. Before they were drawn into the war, Neng Xiong and Houa Ly lived the traditional tribal life of the Hmong people, hunting and gathering and practicing small-scale agriculture in the high plains and mountain jungles of northern Laos.

"Before the war, it was regular days," Neng Xiong Ly said. "Farm, cook, feed the animals." That life was lost when divisions of North Vietnamese soldiers poured across the northern Lao border in the 1960s. The Hmong, led by the charismatic and prescient Gen. Vang Pao, abandoned the high plains of Xiang Khoang province and established positions in the surrounding mountains where there were armed and funded by the CIA. As a young man, Houa Ly served as a medic with Pao's freedom fighters. Trained as commandos, they were fabled for their bravery and resourcefulness, for their intimate knowledge of the mountain jungles. When American pilots were shot down, the Hmong would find and rescue them, engage in fire-fights to protect them. Hunted by communist forces, these warrior farmers could no longer think in terms of "home." "Because of the war between America and Vietnam, the Vietnamese were always killing everyone," Neng Xiong Ly said. "There was no safety for the children and the women. They would have to move all the time." Houa Ly saved the lives of three American pilots during the war and helped dozens of others. His wife and two of his daughters said he did not carry weapons. "He was not a fighter, he was a nurse," said his youngest daughter, Yer Ly, who lives in St. Paul. Neng Xiong Ly cooked for soldiers and pilots at Long Cheng, a CIA airbase in the mountains of Xiang Khoang province. A photograph of the base hands in her living room. The United States abandoned Laos, and its Hmong allies, in 1973. Two years later, the country fell to the communist Pathet Lao, backed by the North Vietnamese Army. Thousands of Hmong were killed. Others were imprisoned in forced labor camps. Tens of thousands fled for Thailand. In October 1978, Houa Ly crossed the Mekong with his wife and four daughters. Yer Ly was born in Thailand. She was 8 months old when the family immigrated to the United States. They settled in the Fox Valley. "We are the people who helped the Americans," Neng Xiong Ly said. "That is why we had to move."

A FATEFUL TRIP

Houa Ly had traveled to Thailand once before, around 1987, to visit a sister who would later immigrate to the Fox Cities. His return trip in 1999 was a break from work as a machine operator with Wisconsin Tissue Mills.

"He said it had been a long time," Neng Xiong said. "He said he needed a vacation." At 6:30 a.m. May 7, 1999, Neng Xiong received a call from the U.S. embassy in Thailand. She was told her husband had been killed near the Laos border. "They just told me my husband went over the border to Laos and that somebody had taken him," she said. She fainted. A half-hour later, she called Yer Ly in St. Paul. She said she had no reason to live. On her end, Yer Ly couldn't speak, couldn't breathe. She fell to the floor, clutching the phone. Various unconfirmed reports about what happened to Houa Ly have emerged from congressional and private inquiries. He had traveled to Thailand with a relative, Neng Lee. They met two other Hmong-Americans, Michael and Hue Vang of California, on the trip. The four were at a water festival in Chiang Kong, Thailand, on the western bank of the Mekong. In Indochina, the New Year is celebrated for a week in mid-April. In Chiang Kong, the group was approached by a man who identified himself as the police chief from Ban Houayxay in Laos, just across the river. He said the police were allowing people into the country without visas to celebrate the festival.

Neng Lee and Hue Vang walked away to shop in Chiang Khong. When they returned, Ly and Michael Vang were gone. Witnesses said they were seen being forced into a boat that sped across the river into Laos.

An Associated Press story published in Asian Week in 2000 contained a similar version of the disappearance. A Hmong investigator was told by sources that Ly and Michael Vang, and two Hmong from Thailand, accepted the invitation to cross the river. Once in Laos, they were arrested. The Thailand Hmong escaped back across the river to tell the story.

Some news stories have referred to speculation that Ly and Michael Vang were in Indochina to provide assistance to Hmong rebels in northern Laos.

Green said he never has seen or heard any evidence to support this.

Hmong veterans in the Fox Cities said this theory makes no sense. While some Hmong send money to relatives in Laos, there is nothing two men could do for bands of Hmong hunted by divisions of troops deep in the interior.

#### WE WON'T GIVE UP

Six months after word of Houa Ly's disappearance, Green arranged a meeting in his office with Neng Xiong Ly, Yer Ly, another of the sisters and three representatives from the State Department. He also arranged a press conference for the Ly family and for other families of people missing in Laos.

State Department officials have conducted two on-site investigations in Laos, but were largely at the mercy of Laos officials, who at first delayed the effort and then placed restrictions on it. U.S. officials have learned nothing, said Green and family members.

Five years ago, State Department officials said finding Houa Ly and Michael Vang was a top priority.

Yer Ly no longer believes that. She fears that her father, a man who risked his life to save Americans in the jungles of Laos, will be forgotten.

Apart from Green, who has steadfastly pushed for a stronger effort, no one from the government calls anymore. No one will answer her questions.

"What I think is that he is an Asian-American citizen," she said, "and so it is not a top priority for them."

Green suspects Laotian officials were involved. At the very least, he said, they impeded the investigation. Although the State Department, pushing for Normal Trade Relations, now gives Laos better marks, its staff

was dissatisfied in November 1999, reporting the Lao government "has been slow to respond to our requests for access to the area and has tried to place restrictions on our investigators."

That was when it mattered, Green said. That was before the trail grew cold.

Still, Green said he would continue to press the U.S. government, and the United Nations, to learn the fates of Ly and Vang.

He, too, has suggested the United States would be putting greater pressure on Laos if the missing citizens were native-born Americans.

"This has been a great sadness for me," Green said. "We won't give up, as long as the families don't give up."

Neng Xiong Ly said she was deeply grateful to Green and to his chief of staff, Chris Tuttle.

"I want thank them from the bottom of my heart," she said. "They are the only two Americans who went out of their way to help."

Yer Ly thinks her father is still alive, locked away in a prison camp. Her only evidence comes from her heart.

"I don't have anything to prove my father is alive," she said. "It is a gut feeling that I have, that my mother has, that my whole family has."

"When someone you love . . . when they pass away . . . it is a different feeling. We don't have that feeling."

SEPTEMBER 9, 2003.

Hon. COLIN POWELL,  
*Secretary of State,*  
*Washington, DC.*

DEAR MR. SECRETARY: Attached is a letter, signed by myself and 21 of my colleagues in the U.S. House of Representatives, asking that you take no further steps toward granting Normal Trade Relations (NTR) to Laos.

Although the letter speaks largely for itself, many of my colleagues and I feel it is important to note that, since this letter was written and began circulating for co-signatures, several facts have come to light that further reinforce our assertion that granting NTR to Laos is an imprudent step at this time.

Among these disturbing developments:

(1) In June, the Laotian government arrested, imprisoned, tried, convicted and sentenced to 15 years in prison a Lutheran minister from St. Paul, Minnesota. While in captivity, this U.S. citizen was denied consular access for over a week and subjected to a ridiculous "trial" before the Laotian judiciary system. Though eventually released after more than a month, the Laotians' handling of this case speaks volumes about their commitment to friendly relations with the United States.

(2) Two well-respected European journalists traveling with the American mentioned above were subjected to the same treatment, all apparently because of the group's investigation of Laotian government human rights abuses against ethnic Hmong minorities in remote areas of Laos.

(3) According to the BBC, Laotian representatives met in Pyongyang with representatives of North Korea just last month. There, "both sides . . . exchanged views on the need to boost cooperation . . . (in) talks (that) proceeded in a friendly atmosphere." This meeting is consistent with the Laotian government's past close relationship with the North Koreans.

(4) According to the Vietnam News Agency and other sources, in May "Top leaders in Myanmar and Laos . . . underscored the need to strengthen their cooperation in security and other fields . . . the leaders expressed their delight with the two countries' growing friendship and highly valued the mutual as-

sistance and successful cooperation in the spheres of politics, security, economy, trade and socio-culture." Obviously, myself and others in both houses of Congress find such statements to be very troubling given what we all know about the Burmese government.

(5) Finally, according to this year's State Department "Voting Practices in the United Nations" document, Laos ranks 184 out of 186 countries in its record of agreement with the United States in U.N. General Assembly votes. In fact, this document shows that North Korea's record of agreement with the U.S. (10.9 percent) is more than double that of Laos' (5.4 percent). Iran, the world's most prominent state sponsor of terrorism, was almost four times more likely to support us (19.7 percent) than Laos (5.4 percent). This, perhaps more than anything else, is the clearest statement that Laos is not yet ready to improve relations between our two countries.

Thank you for your kind attention to this matter. I look forward to working together with you on this and other issues in the future.

Sincerely,

MARK GREEN,  
*Member of Congress.*

SEPTEMBER 9, 2003.

Hon. PHIL CRANE,  
*Chairman, Subcommittee on Trade, Committee on Ways and Means, House of Representatives, Washington, DC.*

Hon. SANDER LEVIN,  
*Ranking Member, Subcommittee on Trade, Committee on Ways and Means, House of Representatives, Washington, DC.*

DEAR CHAIRMAN CRANE AND RANKING MEMBER LEVIN: We write today to implore you to take no further steps toward granting Normal Trade Relations (NTR) status to the Lao People's Democratic Republic (LPDR). We respectfully assert that granting NTR to Laos at this time would in fact represent an ill-conceived reward for the consistently dreadful behavior the LPDR regime has exhibited in recent years at home, abroad, and in its bilateral relations with the United States. We offer the following seven facts as evidence the LPDR has not yet earned such an upgrade in its trade status.

(1) Two U.S. citizens remain missing after disappearing at the Laotian border in 1999. The LPDR government has been uncooperative in its dealings with U.S. authorities working to investigate their case, and the LPDR government may have been involved in the disappearance itself. According to American eyewitnesses, U.S. citizens Houa Ly and Michael Vang went missing on April 19, 1999 after having last been seen with Lao government authorities near the Laos-Thailand border. U.S. investigators have since pursued the case, but the State Department has acknowledged a lack of cooperation by the LPDR in the investigation, stating in November 1999 that the Lao government "has been slow to respond to our requests for access to the area and has tried to place restrictions on our investigators." In July of 1999, staff members of the Senate Foreign Relations Committee traveled to Laos and received information on the case from what they characterized as a "very credible source." The staff report filed after the trip states that, "with a great degree of detail, the tip we received corroborated Hmong-American suspicions that the men in fact crossed into Laos and that the government of Laos captured and killed Messrs. Vang and Ly."

(2) As documented in this year's State Department Report on Human Rights Practices, the LPDR continues to be of the world's most reprehensible abusers of human rights—with a repertoire that includes torture, harsh restrictions on the press and free



speech, and imprisonment of people for their religious beliefs. The report speaks for itself, stating that last year: "The (Lao) Government's human rights record remained poor, and it continued to commit serious abuses. Citizens do not have the right to change their government. Members of the security forces abused detainees, especially those suspected of insurgent or antigovernment activity. Prisoners were abused and tortured, and prison conditions generally are extremely harsh and life threatening. . . . The judiciary was subject to executive, legislative, and LPRP influence, was corrupt, and did not ensure citizens due process. The Government infringed on citizens' privacy rights. The Government restricted freedom of speech, the press, assembly, and association. The Government continued to restrict freedom of religion, and police and provincial authorities arrested and detained more than 60 members of Christian churches, with 4 members of religious communities in custody or incarcerated for their religious beliefs at year's end." These appalling human rights abuses are of particular concern in the so-called "Saysamboun Special Zone" in Laos, where reports of LPDR military offenses against ethnic minorities are common and disturbing. Finally, it is important to note that independent human rights monitoring organizations such as Amnesty International continue to be barred from entering Laos by the LPDR government.

(3) The U.S. Commission on International Religious Freedom this year called Laos one of the world's worst violators of religious freedom, stating that forced renunciations of faith and imprisonment of people for their religious beliefs are tragically frequent. In its 2003 report to the president and Congress, the commission urged the Bush administration to name Laos a "Country of Particular Concern," which would place it in the company of such terrifying regimes as Saddam Hussein's Iraq, Sudan, Burma and North Korea. According to the commissions report, "for at least the last several years, the government of Laos has engaged in particularly severe violations of religious freedom . . . these include the arrest and prolonged detention and imprisonment of members of religious minorities on account of their religious activities, as well as instances where Lao officials have forced Christians to renounce their faith. Between 100 and 200 individuals have been arrested since 1999. At the same time, dozens of churches have been closed. These violations have continued to be committed in the past year. . . ."

(4) Shockingly, the LPDR continues to foster close ties with Kim Jong-Il's Democratic People's Republic of Korea (DPRK)—stating two years ago that relations "of friendship and cooperation" between Laos and the North Korean pariah state "are steadily growing stronger," and congratulating the North Korean people "on the shining successes made in their efforts to build a powerful nation . . . under the wise leadership of Kim Jong-Il." In a joint communiqué issued July 17, 2001 by the leadership of the LPDR and DPRK, the North Korean government also commended the Lao government for the "great successes made in their efforts to consolidate and develop the people's democratic system and estimated the daily rising role and position of the LPDR."

(5) The LPDR recently held state-sanctioned rallies speaking out against U.S. military action in Iraq in the most inflammatory of terms—stating that "the war will bring disaster to the whole of humanity," and "demand(ing) the U.S. respect the peace and sovereignty of Iraq." These and other similarly belligerent comments were transmitted throughout Laos on state-run radio and around the globe through various media services.

(6) A substantial majority of Laotian-Americans—many of whom know, first hand, the brutality meted out by the LPDR regime—are strongly opposed to offering NTR to Laos. These people, many of whom are Hmong-Americans who assisted the United States military during the Vietnam War, view the offer of NTR to the government of Laos as a fundamental betrayal of not only them personally, but of our American principles. According to the most recent census, there are approximately 170,000 Hmong living in the United States. An almost equal number of Lao live in the United States as well.

(7) Although some argue that Laos presents a potentially lucrative market for U.S. companies, the facts show otherwise. While proponents of improved trade relations with Laos claim that the potential economic benefits outweigh the significant moral questions about Laos as a trading partner, the truth is that the LPDR's Gross Domestic Product in 2001 was estimated to be \$9.2 billion. For comparison, the Gross Municipal Product of Fort Wayne, Indiana in 2001 was more than double that amount: \$18.8 billion. Laos' authoritarian internal economic policies, not a lack of trade with the United States, has created this dismal reality. Without substantial change in those policies, neither the people of Laos nor the United States will ever benefit economically from NTR.

This letter should not be interpreted as a statement that we believe the door to NTR for Laos should be shut forever. In our opinion, however, Laos has failed miserably to demonstrate that it is ready for or deserves NTR at this time. In fact, in the six years since the negotiation of the U.S.-LPDR bilateral trade agreement, the Lao regime's record on basic issues like those mentioned above has actually become worse, not better.

We believe that if, over the next few years, the LPDR government is able to successfully demonstrate concrete improvements in these areas of concern, consideration of NTR for Laos may be appropriate. Until then, however, we should send a strong message to the LPDR regime that economic rewards from the United States will not be forthcoming unless it can improve its abysmal record.

Respectfully,

Mark Green, Barney Frank, Duncan Hunter, Earl Pomeroy, John Doolittle, Patrick Kennedy, William Delahunt, Ron Kind, James Langevin, Howard Coble, Robin Hayes, Sue Myrick, Lincoln Diaz-Balart, Christopher Smith, Gil Gutknecht, Devin Nunes, Ileana Ros-Lehtinen, Thomas Petri, George Radanovich, Mark Kennedy, Frank Wolf, Dana Rohrabacher.

Mr. PETRI. Mr. Speaker, as a long time supporter of Hmong veterans and their families in Wisconsin and across the United States, I am pleased to be a cosponsor and express my support for House Resolution 402 which calls for democratic and human rights reforms in Laos.

Many Americans don't realize the vital role Hmong soldiers played in the Vietnam War. School history books often ignore that before U.S. soldiers even landed in Vietnam or Laos, CIA agents arrived to train young Hmong men and women to fight against their oppressors. These brave Hmong fought valiantly for democracy and for freedom for their people. They rescued downed American pilots and took bullets that otherwise would have found their way to the bodies of American soldiers.

In defense of their country and in service to U.S. troops, nearly 40,000 Hmong troops were killed, approximately 58,000 were injured in combat and more than 2,500 are still missing in action today. These numbers don't begin to

represent the thousands of Hmong soldiers and civilians hunted down and massacred by communist forces after the U.S. armed forces began their withdrawal from the region in 1975. The survivors lost many loved ones and lost their homeland. The United States owes these veterans a great deal.

Edgar Buell, a former senior U.S. official working with the Hmong during the war years, best summed up their dedication to the U.S. and western democratic principles when he said, "Everyone of them that died, that was an American back home that didn't die. Somebody in nearly every Hmong family was either fighting or died from fighting . . . . They became refugees because we . . . encouraged them to fight for us. I promised them myself: 'Have no fear, we will take care of you.'"

Yet, we hear reports that the persecution of the Hmong in Laos continues to this day, with charges of starvation, families being separated, and other acts of violence.

Over the last twenty years, thousands of Hmong have settled in Wisconsin and other places across the United States, sharing their tragic history and brave sacrifices with their fellow Americans. On their behalf, we must fulfill Edgar Buell's promise and encourage the government of the Lao People's Democratic Republic to stop civil rights violations against the Hmong and others, and allow free and open political activities in Laos.

Mr. BURTON of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COLE). The question is on the motion offered by the gentleman from Indiana (Mr. BURTON) that the House suspend the rules and agree to the resolution, H. Res. 402.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### EXPRESSING SENSE OF CONGRESS REGARDING ARBITRARY DETENTION OF DR. WANG BINGZHANG

Mr. BURTON of Indiana. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 326) expressing the sense of Congress regarding the arbitrary detention of Dr. Wang Bingzhang by the Government of the People's Republic of China and urging his immediate release.

The Clerk read as follows:

H. CON. RES. 326

Whereas Dr. Wang Bingzhang is a permanent resident of the United States and his sister and daughter are United States citizens;

Whereas Dr. Wang received his Ph.D. at McGill University in Canada in coronary-arterial research and is a well-respected leader



of the overseas Chinese pro-democracy movement and the founder of China Spring magazine;

Whereas Dr. Wang is currently serving a life sentence in prison in the People's Republic of China and is suffering from gastritis, varicose veins, phlebitis, and depression;

Whereas Dr. Wang was abducted in northern Vietnam in June 2002 after meeting with a Chinese labor activist;

Whereas Dr. Wang was driven to the border between Vietnam and the People's Republic of China and forced back to China by boat;

Whereas Dr. Wang was blindfolded and bound and held in various places in Guangxi Province and his captors demanded a \$10,000,000 ransom, which Dr. Wang was unable to pay;

Whereas Dr. Wang although provided his captors with the names and telephone numbers of his relatives, they were never contacted;

Whereas Dr. Wang was finally taken to a Buddhist temple in Fangchenggang City in southern Guangxi Province where his abductors unexpectedly left and moments later he was "rescued" by the Chinese police;

Whereas Dr. Wang was detained by the Chinese police and then transported to Nanning, the capital of Guangxi Province;

Whereas Dr. Wang was held incommunicado for six months, during which time the Government of the People's Republic of China denied any knowledge of his whereabouts;

Whereas on December 4, 2002, the Chinese Government reversed itself, admitting that Dr. Wang had been in its custody since July 3, 2002;

Whereas on December 5, 2002, Dr. Wang was charged with "offenses of espionage" and "the conduct of terrorist activities";

Whereas on January 22, 2003, Dr. Wang was tried by the Intermediate People's Court in the city of Shenzhen in Guangdong Province;

Whereas Dr. Wang's trial lasted only half a day and was closed to the public because the Chinese Government indicated that "state secrets" might be revealed, thereby precluding family members, supporters, and reporters from attending;

Whereas at the trial, Dr. Wang declared himself innocent of all charges;

Whereas at the trial, the Chinese Government refused to release any evidence of Dr. Wang's wrongdoing;

Whereas at the trial, Dr. Wang was denied the right to due process, specifically the right to the presumption of innocence, the right to adequate time and facilities to prepare for his own defense, the right to a fair trial before an independent and impartial tribunal, the right to call witnesses on his own behalf, the right to cross-examine witnesses testifying against him, and in general, the lack of other due process guarantees that would ensure his adequate defense and a full hearing;

Whereas Dr. Wang's trial represented the first time the Chinese Government had brought charges against a pro-democracy dissident under its new terrorism laws;

Whereas although Dr. Wang was convicted and sentenced to life in prison on February 10, 2003, Dr. Wang's lawyers stated that there was insufficient evidence to convict him;

Whereas Dr. Wang's lawyers immediately appealed the court's verdict, but the appeal was rejected on February 28, 2003;

Whereas a human rights petition was submitted on Dr. Wang's behalf to the United Nations Arbitrary Working Group of the Office of the United Nations High Commissioner for Human Rights;

Whereas the petition claimed that Dr. Wang was being arbitrarily detained and that the judicial standards employed in his trial fell far short of internationally recog-

nized standards for judicial proceedings under provisions of the United Nations Universal Declaration of Human Rights;

Whereas in its opinion, the United Nations Working Group noted that Dr. Wang is an internationally recognized pro-democracy activist as opposed to the Chinese Government's characterization of Dr. Wang as an individual who advocates violence and suggests the use of methods such as kidnapping and bombings to achieve his goals, and that Dr. Wang had boasted of carrying out many violent terrorist activities;

Whereas in its opinion, the United Nations Working Group further noted that the Chinese Government offered "no evidence of any specific occasion on which Wang made the alleged calls to violence" and that "[o]ther than the kidnapping of which Wang himself was a victim, as the Government itself acknowledges, no information has been given about other kidnappings or acts of violence initiated by Wang";

Whereas in its opinion, the United Nations Working Group further stated that "Wang, during his first five months in detention, did not have knowledge of the charges, the right to legal counsel, or the right to judicial review of the arrest and detention; and that, after that date, he did not benefit from the right to the presumption of innocence, the right to adequate time and facilities for defense, the right to a fair trial before an independent and impartial tribunal, the right to a speedy trial and the right to cross-examine witnesses";

Whereas in conclusion, the United Nations Working Group declared that "the detention of Wang Bingzhang is arbitrary, being in contravention of articles 9, 10 and 11 of the Universal Declaration of Human Rights" and requested "the [Chinese] Government to take the necessary steps to remedy the situation of Wang Bingzhang and bring it into conformity with the standards and principles set forth in the Universal Declaration of Human Rights";

Whereas the United States Congressional Executive Commission on China made the following recommendation in its 2003 annual report: "The President and the Congress should increase diplomatic efforts to hold the Chinese government to [its commitments on human rights matters during the December 2002 U.S.-China human rights dialogue], particularly the release of those arbitrarily detained";

Whereas the report also stated the following: "The Chinese [G]overnment has also taken advantage of the global war on terrorism to persecute . . . political dissidents. In February 2003, Wang Bingzhang, a U.S. permanent resident and veteran pro-democracy activist, was convicted of 'leading a terrorism organization' and 'spying' and sentenced to life imprisonment"; and

Whereas the report finally noted that "[i]n July 2003, the UN Working Group on Arbitrary Detention declared that Wang's arrest and imprisonment violated international law": Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—*

(1) Dr. Wang Bingzhang, a permanent resident of the United States, is being arbitrarily detained in the People's Republic of China in violation of international law;

(2) the United States Government should request the Government of the People's Republic of China to release Dr. Wang, permitting him to immediately return to the United States; and

(3) the President should make the immediate release of Dr. Wang by the Government of the People's Republic of China a top priority of United States foreign policy.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BURTON).

GENERAL LEAVE

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the concurrent resolution that is under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this concurrent resolution sponsored by the gentlewoman from California (Mrs. NAPOLITANO) expressing the indignation of the Congress over the continued arbitrary detention of Dr. Wang Bingzhang by the Government of the People's Republic of China. In recent years, we have all noted Beijing's pattern of using trumped-up charges to arrest and detain Chinese academics and democracy proponents who live outside China during their visits back to their ancestral homeland.

In Dr. Wang's case, however, Beijing has gone one step further in its attempt to muzzle the overseas Chinese community through tactics of fear and intimidation. Dr. Wang was not detained within the borders of China itself. He was instead kidnapped, abducted during a visit to Vietnam, bound and blindfolded, and forcibly transported across the border between Vietnam and China in a clear violation of international law. This case serves to demonstrate that despite historic differences, the communist regimes in Hanoi and Beijing are willing to make common cause when it comes to suppressing the voices of the advocates of democratic reform. This is common among communist brotherhood.

The People's Republic of China's legal transgressions and abuses in this case are so egregious that the United Nations, despite its sensitivity to Beijing's status as a permanent member of the Security Council, declared that the detention of Dr. Wang is a contravention of the Universal Declaration of Human Rights.

Beijing has further attempted to manipulate heightened post-September 11 international concerns over terrorism by charging Dr. Wang with "the conduct of terrorist activities" due to his advocacy of labor rights in China. The Working Group of the Office of the United Nations High Commissioner for Human Rights, however, has rendered a finding that the Chinese government has offered "no evidence of any specific occasion on which Dr. Wang made the alleged calls to violence," further noting that Dr. Wang himself was a victim

of kidnapping by the very Chinese authorities who have accused him. Such false labeling of a victim of abduction as a terrorist is a cynical maneuver which demeans the memory of the victims of genuine terrorist attacks throughout the world. This is a perfect example of some of the things that the Chinese communists do that is just unthinkable, and the world should condemn them for that.

Beijing's border controls not only include cases of bringing people forcibly back into China, as with the case of Dr. Wang and the group of Tibetan refugees who were forcibly repatriated by the Chinese communists in Nepal last year. Beijing also seeks to forcibly keep people from leaving. We have heard that before. Remember the Berlin Wall? The People's Republic of China crossed a new line of inhumanity on the borders last month when, according to a reliable NGO report, Chinese border guards shot in the back and killed a North Korean refugee as he was attempting to cross into Mongolia, where he would have received safe haven and have been free. It reminds us of the Berlin Wall and the German border guards shooting to kill refugees when all they wanted was freedom.

I say here today: Beijing, tear down the walls of oppression, of arbitrary abduction of democracy advocates, and of victimization of refugees on the run who cannot defend themselves.

First, let Dr. Wang go. He is suffering in prison from serious medical conditions. He never had any intention of entering China's territory, and he needs to return to his waiting family, who misses him dearly here in the United States. And second, lift the bamboo curtain of intimidation directed at both its own citizens inside China and the overseas Chinese community which is calling for political as well as economic reform in their homeland.

China has undergone profound change in the last 2 decades. Beijing has increasingly sought, through such actions as participation in international peacekeeping and through hosting the 2008 Olympic Games, to take its place among the advanced countries of the world. But China cannot truly be a great nation until Beijing ends its systematic suppression of individual human rights such as clearly demonstrated in the case of Dr. Wang Bingzhang.

Mr. Speaker, it is hard to believe that a country that is economically as strong as China is would stoop to shooting a person in the back who wants to gain freedom just to stop them from getting out of their country, and it boggles my mind that China would actually go into Vietnam, kidnap somebody, blindfold them, and take them forcibly back to China when all they wanted was to see freedom and labor rights in China, and keeping this gentleman from his family, I think, is just unthinkable. So if anybody in the

Chinese embassy is paying attention, this is something they should address very quickly and get this man back home to his family.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

I strongly support this important resolution, and I urge all of my colleagues to do so as well.

I first would like to acknowledge the excellent work on this resolution of the gentlewoman from California (Mrs. NAPOLITANO). I would also like to express my appreciation to the gentleman from Indiana (Mr. BURTON); the gentleman from Iowa (Mr. LEACH), subcommittee chairman; and the gentleman from Illinois (Mr. HYDE), the chairman of our full committee for their strong support of this measure.

Mr. Speaker, the litany of human rights abuses conducted by the Chinese government on its own citizens is nothing new to Members of this House. This resolution, however, calls our attention to a case where China's complete disregard for human rights and the rule of law has been brought to new heights.

Having completely suppressed dissent at home, the Chinese government has actually begun kidnapping Chinese dissidents abroad to be brought to China for persecution.

In June, 2002, Dr. Wang Bingzhang, a permanent resident of the United States and the leader in the overseas Chinese democracy movement, was in Vietnam to meet with Chinese labor leaders. Dr. Wang was kidnapped from Vietnam, forced over the border into China, and eventually jailed by the Chinese government. He was held incommunicado for 6 months while the Chinese authorities denied that they knew anything about his fate.

□ 1815

Dr. Wang was then charged with espionage and terrorist activities, though the government produced no evidence linking him to these charges. He was prevented from calling witnesses to support his case, to have sufficient time to prepare his defense and to cross-examine the witnesses against him.

After this mockery of a trial, Dr. Wang was sentenced to life in prison in February of 2003. His appeal was denied.

Mr. Speaker, the kidnapping, trial and conviction of Dr. Wang is an outrageous violation of internationally recognized human rights. A United Nations working group declared that the detention of Dr. Wang is arbitrary and contravenes the universal declaration of human rights.

Dr. Wang is in poor health, and our resolution simply asks that he be released so that he may return to his family here in the United States. I strongly support passage of this resolution, and I urge all of my colleagues to do so as well.

Mr. Speaker, I am delighted to yield 2 minutes to my good friend, the gen-

tlewoman from California (Mrs. NAPOLITANO).

Mrs. NAPOLITANO. Mr. Speaker, I thank my gracious friend and colleague, the gentleman from California (Mr. LANTOS), the ranking member on the committee, for yielding me time and thank the gentleman from Indiana (Mr. BURTON) for allowing this resolution to be brought to the floor and heard.

Mr. Speaker, I am very, very concerned about this particular individual. His daughter came to my office not quite a year ago asking for us to take some action on behalf of her family. Yes, they are very worried. They are very concerned. Because they cannot be in contact with their family member, their father, they are not able to provide him any kind of assistance, so they are incommunicado and are not able to help this individual.

This particular case is a clear case of a violation of human rights by the People's Republic of China. Dr. Wang, as you have heard, was held for 6 months before they actually filed charges against him. He was sentenced to life in prison on January 22, 2003, after, as you have heard, a very abrupt, half-day trial where he was not allowed time to prepare a defense, he was not allowed to cross-examine the government's witnesses, he was not allowed to call any witnesses of his own, nor was he allowed to provide his own defense.

To date, there has been no evidence to link him to the crimes he was charged with, nor have they released him. It is no surprise that the United Nations working group has declared this detention illegal.

I will include for the RECORD two articles that were printed on Dr. Wang.

Today, while we go about our business of enjoying freedom and liberty in the United States, it is inconceivable to us that a person such as Dr. Wang would sit in a prison. He has not sent any communication to his family, he has been allowed no visitors, and he has been denied access to medical care.

Our government must continue to put international pressure on China and many other countries to improve their human rights efforts.

Mr. Speaker, I thank my colleagues who cosigned this resolution and urge this House to sign up for human rights and human decency. Please vote "yes" on H. Con. Res. 326 and call on China to end its illegal detention of Dr. Wang.

Mr. Speaker, I include the articles referred to earlier for the RECORD.

[From Reuters News, Dec. 6, 2003]

CHINA ACTIVIST PLANS HUNGER STRIKE  
DURING WEN TRIP

BEIJING.—A jailed Chinese dissident who spent years in the United States plans to stage a hunger strike to coincide with a trip by Chinese Premier Wen Jiabao to the United States, a U.S.-based rights group said on Saturday. Wang Bingzhang, who was handed a life sentence on terrorism and espionage charges by a Chinese court in February, aimed to protest against his solitary confinement at the Shaoguan prison in Guangdong province, the Worldrights group said.

"From solitary confinement, Dr. Wang is calling on the leaders of America to stand with him and to demand his unconditional release," it is said in a statement.

Wen is due to meet with U.S. President George W. Bush early next week to discuss trade and issues related to Taiwan, which Beijing views as a renegade province, among others.

Wang, a U.S. green card holder in his mid-50s said by family members to have renounced Chinese citizenship, was the first democracy activist charged by China with terrorism and espionage.

[From the South China Morning Post, Dec. 11, 2003]

#### FEARS GROW FOR HEALTH OF JAILED DISSIDENT

(By Verna Yu)

Imprisoned dissident Wang Bingzhang is on the brink of a nervous breakdown due to the "mental torture" he has suffered in jail, and is threatening to go on a hunger strike, his brother says. Wang Bingwu, who visited his older brother at a prison in Shaoguan, Guangdong, last Friday, said he found the solitary confinement and mandatory "political education" imposed three times a day increasingly difficult to bear.

"He told me to tell the world that in order to end his solitary confinement and mental torture, he would go on a hunger strike," Mr. Wang said in Hong Kong yesterday.

Critics say the so-called "political education" sessions in mainland prisons typically include several hours of brainwashing, forced self-criticism and confession of alleged crimes.

He was arrested and convicted on espionage and terrorism charges and given a life sentence in February. He was found guilty of providing intelligence to Taiwan between 1982 and 1990. He and his family deny the charges.

Mr. Wang said his brother looked frail and was suffering from stomach ailments and varicose ulcers. He said his brother was given medicine in prison but was banned from taking other medication that his family brought from America.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 4 minutes to my good friend, the distinguished gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. Mr. Speaker, I thank the gentleman for yielding me time.

I also want to thank the gentleman from Indiana (Mr. BURTON) for his leadership on this issue and a lot of other issues. Regardless of party and regardless of what the political pressure is, the gentleman has taken a stand; and being a new Member of Congress, I want to thank the gentleman for an opportunity to be able to witness that up close.

Mr. Speaker, the issue of Dr. Wang is a very interesting one, for a variety of reasons. The one reason that strikes me, and the gentleman from Indiana alluded to this, is that he was meeting with a labor activist. I find that very interesting, and I find this particular situation a symptom of a larger disease that we are trying to deal with.

They are saying there was a violation of three articles of the Universal Declaration of Human Rights. There is obviously no longer a Universal Declaration of Human Rights because countries like China do not agree to this kind of standard that we have set.

So this man was trying to help organize labor in China and trying to help bring some dignity and justice to the labor industry in China. It is obvious that China does not want it, but I think it is becoming more and more apparent that the major corporations in the United States who do business in China do not want China to have labor standards either.

If citizens of the regime in China try to unionize, they will be arrested, they will be beaten, they will be tortured. Many of the workers are bonded workers that come from the farms and go in to work in some of the factories. These people in China and the government of China do not enforce the minimum wage standards that they have, nor some of the safety rules that they have.

Why do they not want to do this? Because if they enforce these rules, as the AFL-CIO has indicated to us, there would be a 10 percent to 77 percent increase in the cost of goods coming out of China. We do not want to say that we want to raise prices, but I thought that this would bring about global competition, and I thought we were going to spread democracy. We want to lift the Chinese worker up. We want to lift them up to live, hopefully, one day, with the standards that we have here in the United States of America.

But just think, if this would happen, if there would be a 10 to 77 percent increase in the goods coming out of the Chinese market, the U.S. worker would finally be able to compete, Mr. Speaker, would finally be able to compete; and it would eliminate the problem we are even having dealing with the currency right now, if we would have those kinds of labor and human rights standards put in place.

I want to share a quote from the President of the United States when he was in Cleveland, Ohio, on March 10, 2003. He said to the workers in Ohio, "Ohio workers, if given a level playing field, can outproduce any worker anywhere on Earth," if we had a level playing field.

What we need to do is ask this administration to get tough on China. A level playing field will not just fall out of the sky.

Then when we saw, and the AFL-CIO petitioned for, an opportunity to try to fix the currency manipulation problems and some of the labor rights problems, four Members of this administration's cabinet said that the administration's efforts at diplomatic engagement with Beijing on these two issues, currency and labor rights, would produce more results than threatening punitive tariffs.

Efforts at diplomatic engagement? This is coming from an administration that, when they walk the halls of the United Nations, it is like a bull in a china shop. They have no diplomatic touch. We have alienated all of our allies. Now we want to go and try to deal with China with diplomacy, while they are abusing workers, while they are

abusing people, going to Vietnam to pick people up who are going to help workers organize in China.

Something needs to be done, and something needs to be done now. I appreciate the opportunity that the gentleman from California has given me and the gentleman from California.

I rise in support of this; but, again, I think it is a symptom of a larger problem that needs to be dealt with, and this administration and this Congress need to continue to push China to enforce the human rights that we have been exporting from this country for many, many years and want to continue to export out of this country.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BURTON of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time as well.

The SPEAKER pro tempore (Mr. COLE). The question is on the motion offered by the gentleman from Indiana (Mr. BURTON) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 326.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### EXPRESSING CONCERN OF CONGRESS OVER IRAN'S DEVELOPMENT OF MEANS TO PRODUCE NUCLEAR WEAPONS

Mr. BURTON of Indiana. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 398) expressing the concern of Congress over Iran's development of the means to produce nuclear weapons.

The Clerk read as follows:

H. CON. RES. 398

Whereas the United States has for years attempted to alert the international community to Iran's covert nuclear activities in support of an intention to develop a nuclear weapon, contrary to its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT);

Whereas Iran's covert activities to develop the means to produce nuclear weapons are finally beginning to be revealed to the international community;

Whereas Iran did not declare to the International Atomic Energy Agency (IAEA) the existence of the Natanz Pilot Fuel Enrichment Plant and the production-scale Fuel Enrichment Facility under construction at Natanz until February 2003, after the existence of the plant and facility was revealed by an opposition group;

Whereas it is estimated that the Pilot Fuel Enrichment Plant could produce enough highly enriched uranium for a nuclear weapon every year-and-a-half to two years;

Whereas it is estimated that the Natanz Fuel Enrichment Facility could, when completed, produce enough highly enriched uranium for as many as 25–30 nuclear weapons per year;

Whereas in his report of June 6, 2003, the Director-General of the IAEA stated that Iran had failed to meet its obligations under its Safeguards Agreement with the IAEA to report all nuclear material imported into Iran—specifically, the importation of uranium hexafluoride from China in 1991—the processing and use of that material, and the facilities involved in the use and processing of the material;

Whereas the IAEA Board of Governors urged Iran in June 2003 to promptly rectify its failures to meet its obligations under its Safeguards Agreement, not to introduce nuclear material into the Natanz Pilot Fuel Enrichment Plant, and to cooperate fully with the Agency in resolving questions about its nuclear activities;

Whereas the IAEA Director General reported to the Board of Governors in August 2003 that, after further investigation, Iran failed to disclose additional nuclear activities as required by its Safeguards Agreement and continued to fail to resolve questions about its undeclared uranium enrichment activities;

Whereas the IAEA Board of Governors on September 12, 2003, called on Iran to suspend all further uranium enrichment and any plutonium reprocessing activities, disclose all its nuclear activities, and cooperate fully with the Agency, and to sign, ratify, and fully implement the Additional Protocol between Iran and the IAEA for the application of safeguards to strengthen investigation of all nuclear activities within Iran, and requested all third countries to cooperate closely and fully with the Agency in resolving questions about Iran's nuclear program;

Whereas IAEA inspectors and officials continued to confront Iran with discrepancies in its explanations of its nuclear activities;

Whereas on October 9, 2003, in a letter to the Director General of the IAEA, Iran finally confirmed that it had conducted research on uranium conversion processes at the Esfahan Nuclear Technology Centre and the Tehran Nuclear Research Centre, despite its earlier denials of such activities;

Whereas on October 21, 2003, Iran and the Foreign Ministers of France, Germany, and the United Kingdom issued a joint statement in which Iran indicated that it had decided to suspend all uranium enrichment and reprocessing activities as defined by the IAEA;

Whereas this statement also foresaw the provision of unspecified nuclear technical cooperation once Iran had satisfied international concerns about its nuclear development program;

Whereas in a subsequent letter on October 23, 2003, Iran further admitted that it had tested uranium enrichment centrifuges at the Kalaye Electric Company between 1998 and 2002 using its previously undeclared imported uranium hexafluoride from China;

Whereas in that same letter, Iran admitted that it had a laser uranium enrichment program, in which it used 30 kg of uranium not previously declared to the IAEA, another violation of its Safeguards Agreement;

Whereas in that same letter, Iran also admitted that it had irradiated 7 kg of uranium dioxide targets and reprocessed them to extract plutonium, another violation of its legal obligation to disclose such activities under its Safeguards Agreement;

Whereas Iran told the IAEA on November 10, 2003, that it would sign and ratify the Additional Protocol agreement for further safeguards, and would act in accordance with the Additional Protocol pending its full entry-into-force;

Whereas on November 10, 2003, Iran further informed the IAEA Director General that it had decided to suspend all enrichment and reprocessing activities in Iran, not to produce feed material for enrichment processes, and not to import enrichment related items;

Whereas the IAEA, through its investigative and forensic activities in Iran and elsewhere, has uncovered and confronted Iran in numerous lies about its nuclear activities;

Whereas the Director General of the IAEA reported to the IAEA Board of Governors on November 10, 2003, that Iran has concealed many aspects of its nuclear activities from the IAEA, which constituted breaches of its obligations under its Safeguards Agreement;

Whereas despite Iran's subsequent pledge to, once again, fully disclose all of its nuclear activities to the IAEA, the Director General of the IAEA, in his report of February 24, 2004, found that Iran continued to engage in deception regarding its nuclear activities, including failing to disclose a more sophisticated enrichment program using more advanced enrichment centrifuge technology imported from foreign sources, and noncredible explanations involving experiments to create a highly toxic isotope of polonium that is useful as a neutron initiator in nuclear weapons and a firm indicator of a nuclear weapons development program;

Whereas these deceptions by Iran were continuing violations of Iran's Safeguards Agreement and of Iran's previous assurances to the IAEA and the international community for full transparency;

Whereas despite Iran's commitment to the IAEA and to France, Germany, and the United Kingdom that it would suspend uranium enrichment activities, it has repeatedly emphasized that this suspension is temporary and continued to import and manufacture uranium enrichment centrifuge parts and equipment, allowing it to resume and expand its uranium enrichment activities whenever it chooses;

Whereas the statements on February 25, 2004, of Hassan Rowhani, Secretary of the Supreme National Security Council of Iran, that Iran was not required to reveal to the IAEA its research into more sophisticated "P2" uranium enrichment centrifuges, and that Iran has other projects which it has no intention of declaring to the IAEA, are contrary to—

(1) Iran's commitment to the IAEA in a letter on October 16, 2003, by the Vice President of Iran and President of Iran's Atomic Energy Organization that Iran would present a "full picture of its nuclear activities" and "full transparency";

(2) its commitment to the foreign ministers of the United Kingdom, France, and Germany of October 21, 2003, to full transparency and to resolve all outstanding issues; and

(3) its statement to the IAEA's Board of Governors of September 12, 2003, of its commitment to full transparency and to "leave no stone unturned" to assure the IAEA of its peaceful objectives;

Whereas it is abundantly clear that Iran remains committed to a nuclear weapons program;

Whereas Libya received enrichment equipment and technology, and a nuclear weapons design, from the same nuclear black market that Iran has used, raising the question of whether Iran, as well, received a nuclear weapon design that it has refused to reveal to international inspectors;

Whereas the Ministry of the Atomic Energy of the Russian Federation has recently announced that it will soon conclude an agreement to supply Iran with enriched nuclear fuel for the Bushehr nuclear power reactor, ignoring the need to sanction Iran to

persuade it to cease its nuclear weapons development program;

Whereas the IAEA Board of Governors' resolution of March 13, 2004, which was adopted unanimously, noted with "serious concern that the declarations made by Iran in October 2003 did not amount to the complete and final picture of Iran's past and present nuclear programme considered essential by the Board's November 2003 resolution", and also noted that the Agency has discovered that Iran had hidden more advanced centrifuge associated research, manufacturing, and testing activities; two mass spectrometers used in the laser enrichment program; and designs for hot cells to handle highly radioactive materials;

Whereas the same resolution also noted "with equal concern that Iran has not resolved all questions regarding the development of its enrichment technology to its current extent, and that a number of other questions remain unresolved, including the sources of all HEU contamination in Iran; the location, extent and nature of work undertaken on the basis of the advanced centrifuge design; the nature, extent, and purpose of activities involving the planned heavy-water reactor; and evidence to support claims regarding the purpose of polonium-210 experiments";

Whereas Hassan Rowhani on March 13, 2004, declared that IAEA inspections would be indefinitely suspended as a protest against the IAEA Board of Governors' resolution of March 13, 2004, and while Iran subsequently agreed to readmit inspectors by March 27, 2004, this suspension calls into serious question Iran's commitment to full transparency about its nuclear activities; and

Whereas Iran's pattern of deception and concealment in dealing with the IAEA, the Foreign Ministers of France, Germany, and the United Kingdom, and the international community, its receipt from other countries of the means to enrich uranium, and its repeated breaches of its IAEA Safeguards Agreement, indicate that Iran has also violated its legal obligation under article II of the NPT not to acquire or seek assistance in acquiring nuclear weapons: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring), That the Congress—*

(1) condemns in the strongest possible terms Iran's continuing deceptions and falsehoods to the International Atomic Energy Agency (IAEA) and the international community about its nuclear programs and activities;

(2) calls upon all State Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), including the United States, to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons, including ending all nuclear and other cooperation with Iran (including the provision of dual use items), until Iran fully implements the Additional Protocol between Iran and the IAEA for the application of safeguards;

(3) declares that Iran, through its many breaches for 18 years of its Safeguards Agreement with the IAEA, has forfeited the right to be trusted with development of a nuclear fuel cycle, especially with uranium conversion and enrichment and plutonium reprocessing technology, equipment, and facilities;

(4) declares that the recent revelations of Iran's nondisclosure of additional enrichment and nuclear-weapons-applicable research activities, as detailed in the report of February 24, 2004, by the Director General of the IAEA, along with the statement by the Government of Iran that it will not disclose other research programs, constitute ample

evidence of Iran's continuing policy of non-compliance with the letter and spirit of its obligations under its Safeguards Agreement and the Additional Protocol;

(5) demands that Iran immediately and permanently cease all efforts to acquire nuclear fuel cycle capabilities and to immediately, unconditionally, and permanently cease all nuclear enrichment activities, including manufacturing and importing related equipment;

(6) demands that Iran honor its stated commitments and legal obligations to grant the IAEA inspectors full unrestricted access and cooperate fully with the investigation of its nuclear activities and demonstrate a new openness and honesty about all its nuclear programs;

(7) contrasts Iran's behavior with Libya's, in which Libya's decision to renounce and dismantle its nuclear weapons program and to provide full, complete, and transparent disclosure of all its nuclear activities has enabled the IAEA to rapidly understand and verify with high confidence the extent and scope of Libya's program;

(8) calls upon the members of the European Union not to resume discussions with Iran on multilateral trade agreements until such time that Iran has verifiably and permanently ceased all nuclear weapons development activity, including a permanent cessation of uranium conversion and enrichment and plutonium reprocessing activities;

(9) further calls upon the European Union to consider what further measures, including sanctions, may be necessary to persuade Iran to fulfill its obligations and commitments to the IAEA;

(10) in light of ongoing revelations of the noncompliance of the Government of Iran regarding its obligations under the NPT and pledges to the IAEA, and in light of the consequent and ongoing questions and concerns of the IAEA, the United States, and the international community regarding Iran's military nuclear activities—

(A) urges Japan to ensure that Japanese commercial entities not proceed with the development of Iran's Azadegan oil field;

(B) urges France and Malaysia to ensure that French and Malaysian commercial entities not proceed with their agreement for further cooperation in expanding Iran's liquid natural gas production field;

(C) calls on all countries to intercede with their commercial entities to ensure that these entities refrain from or cease all investment and investment-related activities that support Iran's energy industry; and

(D) calls on the President to enforce the provisions of the Iran and Libya Sanctions Act of 1996 to discourage foreign commercial entities from investing in Iran's energy industry;

(11) deplores any effort by any country to provide any nuclear power-related assistance whatsoever to Iran, and calls upon Russia to suspend nuclear cooperation with Iran and not conclude a nuclear fuel supply agreement for the Bushehr reactor, until the conditions of paragraph (8) are satisfied;

(12) calls upon the governments of the countries whose nationals and corporations are implicated in assisting Iranian nuclear activities, especially Pakistan, Malaysia, the United Arab Emirates, and Germany, to fully investigate such assistance, to grant the IAEA full access to individuals, sites, and all information related to the investigations, and to immediately review and rectify their export control laws, regulations, and practices in order to prevent further assistance to countries seeking to develop nuclear programs that could support the development of nuclear weapons;

(13) urges the IAEA Board of Governors, at its earliest opportunity, to report to the

United Nations Security Council that Iran is in noncompliance with its agreements with the IAEA;

(14) urges the President of the United States to provide whatever financial, material, or intelligence resources are necessary to the IAEA to enable it to fully investigate Iran's nuclear activities;

(15) urges the United Nations Security Council, the Nuclear Suppliers Group, the Zangger Committee, and other relevant international entities to declare that non-nuclear-weapon states under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), who commit violations of their safeguards agreements regarding uranium enrichment or plutonium reprocessing, or engage in activities which could support a military nuclear program, thereby forfeit their right under the NPT to engage in nuclear fuel-cycle activities;

(16) further urges the United Nations Security Council to consider measures necessary to support the inspection efforts by the IAEA and to prevent Iran from further engaging in clandestine nuclear activities; and

(17) urges the President to keep the Congress fully and currently informed concerning the matters addressed in this resolution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BURTON).

GENERAL LEAVE

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 398.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H. Con. Res. 398, a resolution which condemns Iran's continued violations of its obligations and commitments regarding its nuclear program; expresses Congress' grave concern over Iran's efforts to develop the means to produce nuclear weapons, which threaten not only that region, but possibly the world; and calls for a series of steps to be undertaken by various parties to address this threat.

I am proud to be a cosponsor of this measure, and I commend the gentleman from Illinois (Chairman HYDE) and the ranking member, the gentleman from California (Mr. LANTOS), on this bipartisan effort and for their leadership.

Mr. Speaker, after getting caught with its hand in the cookie jar, the Iranian regime was forced to admit in the fall of 2002 that it had nuclear facilities that it had failed to declare to the International Atomic Energy Agency. From that time onward, Iran has engaged in a systematic campaign of deception and manipulation to hide its true intentions and to keep its large-scale nuclear efforts a secret.

For at least 18 years, the Iranian regime has been pursuing a covert nuclear program. It has undertaken a number of efforts for the manufacture and testing of centrifuge components, most of which, according to recent IAEA reporting, are owned by military industrial organizations.

It has an enrichment facility designed for the simultaneous operation of large numbers of centrifuges, and a large, partially-underground facility at Natanz, intended to house up to 50,000 centrifuges. Concurrently, Iran is pursuing another approach to uranium enrichment which uses lasers, a complex technology rarely used by even the most advanced countries because it is not cost efficient.

Iran has expressed interest in the purchase of up to six additional nuclear power plants and is pursuing a heavy water research reactor at Arak, a type of reactor that would be well-suited for plutonium production. This represents yet another path to nuclear weapons, which endangers not only the region, but the world.

According to the IAEA report of November of last year, the Iranian regime admitted that it had failed to report a large number of activities involving nuclear material, including the separation of a small amount of plutonium. This same report noted that Iran's deceptions have dealt with the most sensitive aspects of the nuclear cycle.

Further, the IAEA could not disprove that Iran's nuclear program was not for weapons development and could not conclude that it was solely for "peaceful purposes."

Iran's most recent breaches of its obligations include failing to disclose work on advanced P-2 centrifuges for uranium enrichment and work on Polonium 210, an element which could be used in nuclear explosions.

As a result, Iran has forfeited its right to develop a nuclear fuel cycle and should immediately and unconditionally cease all nuclear enrichment activities.

H. Con. Res. 398 enumerates a series of steps that should be undertaken to, number one, hold the Iranian regime accountable for its nuclear program; and, two, establish a clear precedent that such proliferation efforts, efforts which clearly threaten international peace and security, will not be tolerated. Those who pursue them will have to suffer the consequences.

□ 1830

The Iranian Government needs to think very, very strongly about that.

Among the demands it places on the International Atomic Energy Agency, it urges the IAEA Board of Governors to quickly report the Iranian case to the U.N. Security Council for further action, which should include steps to prevent Iran from engaging in further clandestine nuclear activities. It also urges the U.N. Security Council to declare that non-nuclear weapons states under the NPT who violate their commitments forfeit their rights under this treaty.

As President Bush said on February 11 of this year, "Proliferators must not be allowed to cynically manipulate the NPT to acquire the material and infrastructure necessary for manufacturing illegal weapons."

Mr. Speaker, H. Con. Res. 398 calls upon the international community, through different venues, to use all appropriate means to deter and prevent Iran from acquiring nuclear weapons, including ending all nuclear cooperation with Iran until certain conditions are met.

Given the ongoing developments in the political and economic relationship of the European Union countries and Iran, the resolution calls upon the EU countries to suspend bilateral trade agreements with this pariah state until Iran has verifiably and permanently ceased all nuclear weapons development efforts. Also, given the severity of Iran's proliferation activities and heeding the lessons from Libya, H. Con. Res. 398 asks the European Union to go a step further and consider sanctions as a means of compelling Iran to comply with these international obligations and expressed commitments.

It calls on governments whose nationals, businesses, and other entities are implicated in assisting Iranian nuclear activities to, one, fully investigate such a relationship; two, grant full access to the IAEA to conduct its own parallel investigations; and, three, immediately review and rectify export control regulations and practices to prevent further assistance to countries seeking a nuclear weapons capacity.

These are not just in keeping with President Bush's counterproliferation initiatives as outlined in February of this year, but also affirm the tenets of the U.S.-led resolution adopted by the U.N. Security Council just last Wednesday.

Mr. Speaker, H. Con. Res. 398 reinforces longstanding congressional efforts to deny terrorists and their state sponsors the funds to pursue and expand their threatening activities, in particular, their proliferation activities. It calls on all countries to take steps to end investment-related efforts that in some way support Iran's energy sector.

This is particularly relevant given plans announced by Iran on Sunday aiming for a six-fold increase in its petrochemical revenues to \$20 billion a year by the year 2015. It is further relevant given, for example, the April 25 announcement that French oil giant Total was awarded a \$1.2 billion contract to develop phase 11 of the massive South Pars gas field in Iran.

H. Con. Res. 398, therefore, also calls for immediate enforcement of the Iran and Libya Sanctions Act with respect to Iran.

Mr. Speaker, in closing, I would simply like to refer to a recent statement made by Iran's so-called moderate leader, Mohammad Khatami, while Iran was blocking access to IAEA inspectors. He said Iran "has no obliga-

tion toward anybody other than what our interests require."

Placing this in further context, I draw my colleagues' attention to Iran's display last fall of its newly deployed advanced medium-range ballistic missiles which military analysts say could reach Israel or U.S. bases in the Persian Gulf. Television photographs of the display showed one of the missile carriers with a sign that read, "We will stomp on America," and that says it all, as far as I am concerned. We must stop their nuclear proliferation program.

A terrorist state like Iran must not, cannot, be allowed to obtain a nuclear weapons capability, and we need to do whatever is necessary to stop them. Let us send a clear message to Iran, and to all other potential proliferators, that we will not tolerate this behavior, we will not sit idly by as Iran threatens our Nation, our interests, and global security.

Mr. Speaker, I urge my colleagues to render their strong support to this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I rise in strong support of this important resolution, and I yield myself such time as I may consume.

Mr. Speaker, I want to pay tribute to the chairman of our committee, the gentleman from Illinois (Mr. HYDE), and to my friend, the gentleman from Indiana (Mr. BURTON), for their leadership on this issue.

Mr. Speaker, for over a decade, the United States has been trying to alert the entire world to Iran's efforts to covertly develop nuclear weapons. Finally, the rest of the world seems at least ready to listen. Now we must convince them to act.

For many years, Iran has deceived the International Atomic Energy Agency and the entire world about the true purpose of its supposedly peaceful nuclear energy program. The ayatollahs of terrorism have, through the international nuclear black market, acquired equipment and facilities to produce nuclear weapons-grade uranium. As a result of IAEA inspections over the past 15 months, we now know that Iran has acquired designs for sophisticated uranium enrichment equipment and that Iran has been lying about this for years. Iran has even experimented with materials that could be used to initiate a nuclear detonation.

Given that Iran used the same supplier network that provided Libya with the blueprint for a nuclear warhead, we must assume that Iran has an operable nuclear bomb design.

Iran is rightly condemned as a state sponsor of terrorism responsible for funding numerous terrorist groups that murder and maim innocent civilians. Imagine then, Mr. Speaker, this terrorist state armed with nuclear weapons.

This is the threat we face. Iran must not under any circumstances be al-

lowed to acquire nuclear weapons. We must keep the pressure on Iran, as we did on Libya, to step off this most dangerous path. We must keep the pressure on our friends and allies in the European Union and elsewhere who mistakenly believe that continued trade and investment will somehow cause the ayatollahs to give up their multiyear quest for nuclear weapons.

We must also keep the pressure on the IAEA's Board of Governors to again condemn Iran at their June meeting and to formally refer Iran's breaches of its safeguards and Nuclear Nonproliferation Treaty obligations to the United Nations Security Council.

Mr. Speaker, this resolution also sets a new standard for states to have access to technology for peaceful nuclear purposes. It declares that Iran, through its repeated and flagrant violations of its international obligations, has forfeited the right to be trusted with technology that can be misused to produce weapons-grade uranium and plutonium.

I urge all of my colleagues to support this resolution and to send a message to Iran and the entire world that enough is enough. It is past time to isolate Iran economically and diplomatically. A nuclear Iran threatens us all. Driven by its extremist ideology, it might attack and surely could blackmail our friends in the region. Iran's nuclearization would spell the end of the nuclear nonproliferation regime. We must not let that happen.

Mr. Speaker, I strongly support this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. BURTON of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. TANCREDI), a member of the committee.

Mr. TANCREDI. Mr. Speaker, I thank the gentleman for yielding me this time. I just want to add my support to this endeavor and this resolution. Certainly, the gentleman from California (Mr. LANTOS), the author of the resolution, and the committee itself and the gentleman from Indiana (Mr. BURTON) have been extremely articulate in laying out the points that we should pursue and in encouraging us to bring this resolution and have stated, again articulately, why we should support it. I want to add to those issues that we have laid out some other things that are not specifically identified in the resolution, but I think are important for us to consider.

We must recognize that much of what we know today about Iran and certainly what we know about its nuclear production capabilities, and not just capabilities, but what they have already done, comes to us not as a result of information identified by the international inspection regime. It comes to us as a result of the fact that Iranian dissidents have, at great risk, made this information available to the West.

On more than one occasion, these Iranian dissidents have provided us



with information that we now know to be accurate. It has become invaluable in many ways, and they should be credited for what they have done. It is also important to note that many of these people who have taken refuge in Iraq are under the control and the protection right now of American forces over there. It is also I think important to understand that Iran, the mullahs in Iran are today demanding that these people be returned, forcibly returned to Iran to face certain death. It is inconceivable I think that we would agree to such a situation, especially in light of the information that they have provided and the valuable asset that they in fact are in that part of the world.

We also recognize that much of the difficulty we now face in Iraq is a result of Iran's interference, sending people across that border, inflaming the passions that we now witness in the form of acts of violence against Americans and American troops over there.

So all of these things, as I say, I am glad they have been said, but I just did not want to let this resolution go by without a reference to the people who have worked so hard to bring the information forward and who have struggled for a long time for a free Iran. They are dedicated to that proposition. They are dedicated to a free secular country, a democratic country over there, and I think it would be certainly heartless, it would be a tragedy if we were to abandon them, if we were to actually allow them to be returned to, as I say, certain death in that country.

So I just wanted to add that dimension to this debate. Again, I thank the gentleman from Indiana (Mr. BURTON), the gentleman from California (Mr. LANTOS), and the committee for bringing this resolution forward.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 2 minutes to my friend, the gentleman from the State of Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, I thank my good friend and colleague, the ranking member of this committee, and the chairman for their initiative. I think it is long past time for this Nation to express grave concern and work with the international community to thwart Iran's efforts to develop nuclear weapons, and I applaud them for this resolution.

I do, however, feel compelled to ask an inquiry of the chairman and the ranking member, and it is this: we have seen, I believe, a growing concern about possible usurpation by the administration of congressional authority, particularly in regard to war-making and the use of force. I thoroughly intend to support this sound resolution. I just would like clarification that the resolution does not, in its efforts to rein in the Iranian nuclear program, authorize the President to use force.

I yield to my distinguished ranking member to address this.

Mr. LANTOS. Mr. Speaker, I thank my friend for yielding, and I am very pleased to respond to his inquiry.

This resolution is not and cannot be construed to be an authorization for the use of force against Iran. It calls upon all of the state parties to the Nuclear Nonproliferation Treaty to take all appropriate measures to deter, dissuade, and prevent Iran's acquisition of nuclear weapons, including economic sanctions and international pressure.

□ 1845

The international sanctions on Libya were ultimately successful in convincing Colonel Qaddafi to give up all of his programs to develop weapons of mass destruction. This is the model that the world community needs to pursue with Iraq.

Mr. BAIRD. Mr. Speaker, I thank my colleague for that clarification. I intend to support this most worthy proposal, and I think it is important that we establish for the record that this Congress is not intending with this legislation to authorize the use of force without approval of the Congress.

Mr. LANTOS. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I speak as the ranking Democrat on the subcommittee that deals with terrorism and proliferation of weapons of mass destruction.

I want to clarify of the backgrounds that we face with Iran. First, Iran has a large amount of natural gas. This natural gas is flared. They do not need to generate electricity with nuclear plants. In fact, they can without pollution and at very low costs generate electricity using the natural gas that goes to waste under the present system.

Second, we talk here of the Iranian government. That is very different from the Iranian people who among all the peoples of the Middle East are among those who are most pro-American and, frankly, who are not terribly interested in seeing their country acquire nuclear weapons. We should remember that weapons of mass destruction is a rather vague term that encompasses mustard gas on the one hand and nuclear weapons on the other, and we should not be confused.

Since World War I, I doubt more than a dozen Americans have been killed using chemical or biological weapons. And while Saddam killed many using mustard gas, he did so against highly unsophisticated civilians in a third world situation.

In contrast, nuclear weapons if used in an American city would kill hundreds of thousands of people or millions of people. We can not put these in the same category. And let us not think that a missile defense system will save us. Iran would like to have intercontinental ballistic missiles and the glory of just being able to push a button and see the missile fly off. But the government of Iran sees it is as easy to smuggle a nuclear weapon into the United States as it is to smuggle into person or a bale of marijuana. A nuclear weap-

on is as detectable, it is as large as a person.

Thus, a nuclear weapon created in Iran could be smuggled into any of our districts. Keep in mind that the government in Iran has sought again and again to kill as many Americans as possible. It is harboring top operatives of al Qaeda, including bin Laden's own son. It is harboring the individual who caused the bombings in Riyadh that killed 7 Americans. It is responsible for the deaths at Khobar Tower and earlier deaths of our people in Saudi Arabia, killing at least 2 dozen Americans.

This is a government in Iran which, if it has nuclear weapons, will marry a desire to kill Americans with a capacity to kill us by the hundreds of thousands.

Now, this is a great resolution. But it is only a resolution. What we need to do is to marry our desire to rein in the nuclear program with a real bill with real teeth. I have introduced to this House, and we have quite a number of co-sponsors for the Iran Freedom and Democracy Support Act. That Act would provide real money to those working for peace and democracy in Iran. That Act would impose real economic sanctions and we need to pass this resolution today or tomorrow and then go on to deploying real money and real economic sanctions in an effort to deal with the Iranian program.

Look at what happened with Libya. They faced multi-lateral economic sanctions and they agreed to abandon their nuclear program. Now, they are getting for an investment, they are getting international air flights, et cetera. This administration promised us an aggressive defense of America. And it has given us only an invasion of Iraq which had apparently no weapons of mass destruction at all. North Korea has 3 years further in developing its nuclear weapons. Iran has proceeded virtually unimpeded, and we have not used the tools available to us, not to invade but to dissuade.

We have the Iran-Libya Sanctions Act. We used it against Libya. We failed again and again to use it and waived it again and again when our so-called allies invested billions of dollars in the Iranian oil sector.

Mr. Speaker, just recently we gave a wink and a nod to a \$2.8 billion Japanese investments in the Iranian oil sector. We have given winks and nods as half a billion dollars has gone from the World Bank, 25 percent of it is our money, goes to this government that is developing nuclear weapons to kill our people, and year after year, we allow \$150 million worth of caviar and carpets to come into this country providing a market to industries controlled by some of the most regressive forces in Iran.

It is time for to us bring real economic sanctions starting with our own trade and stopping that \$150 million of imports. Then turning to our allies and saying enough is enough. If you want



to help us, bring the economic pressure. Then the people of Iran will recognize that they can not allow their leaders to proceed down this nuclear road. That it is bad for world stability and bad for their own economy.

And we are not asking for participation in an invasion. Just for strict economic sanctions. We can use our economic power to do it, or we can continue the feckless policy that marked our behavior before September 11.

This is a great resolution. We should pass it. It is only a resolution. It is time to bring real economic sanctions to bear. Otherwise, this resolution will pass. They will laugh at us in Tehran, and they will go forward with their nuclear program.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just wanted to compliment my colleague on a very fine statement.

Mr. LANTOS. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I wanted to thank the gentleman from California (Mr. SHERMAN). And to the gentleman from Indiana (Mr. BURTON), I salute your concern about Iraq's nuclear activities. I join you in stating that I do not want Iran to acquire nuclear weapons. However, I cannot support this resolution.

I believe that if Members read the text carefully, they may agree. This resolution includes an endorsement I believe of the doctrine of preventive war. Preventive war is attacking another country that does not pose an imminent threat but which some might argue could pose a threat. This is not a legitimate or legal reason for going to war. It ends up being an illegal war or war not in self-defense.

To be specific, the doctrine is, I believe, contained in part 2 of the resolution which reads, "Calls upon all state parties to the Treaty on Non-Proliferation of Nuclear Weapons, including the United States, to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons." This clause contains two elements of preventive war. The first is a tacit endorsement of regime change, "all appropriate means to prevent Iran."

All appropriate means is nearly the same language used in Senate Joint Resolution 54, which the Congress passed in 1998. That resolution called upon the President to "take appropriate action to bring Iraq into compliance."

We did not know then that such language would be construed only 5 years later to mean that the Congress endorsed regime change in Iraq, but that is what the administration construed it to mean.

Second, I believe this clause envisions unilateral action by the United States. It "calls upon the United States to use all appropriate means." That means it is a policy of Congress

that the United States, without necessarily receiving any support from the world community, and without the concurrence of the United Nations, could act unilaterally. This combination calling on all state parties to use all appropriate means to prevent Iran from acquiring nuclear weapons and calling upon the United States to use all appropriate means, this combination endorses the doctrine of preventive war.

This country was dragged into war with Iraq based on false statements to Congress. Iraq has proved to have been of little threat to the United States, but that did not stop the war's authors from going forward with the arguments that Iraq could one day be a threat.

In this historical context, I believe it is vitally important to call this to the attention of Congress so that Congress can avoid giving its endorsement of what could prove to be an unprovoked attack, unilateral regime change again.

So I oppose this resolution and I ask my colleagues to vote no.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me start off by saying you cannot take one section of the bill, and I have great respect for the gentleman from Ohio (Mr. KUCINICH). He and I have been colleagues and have worked together on a number of bills, and I have a very high regard for him. However, let us look at the whole bill and not just one or two phrases in it, because I think it clarifies the whole intent of the bill and I think it illuminates the concern I think that the gentleman has.

If we look on page 8 where the gentleman was just talking about, it says "calls upon all state parties to the Treaty on the Non-proliferation of Nuclear Weapons, NPT, including the United States, to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons, including ending all nuclear and other cooperation with Iran, including the provision of dual use items, until Iran fully implements the Additional Protocol between Iran and the IAEA for the application of safeguards."

But then we go over to page 10. Understand section 9 there it says it "further calls upon the European Union to consider what further measures, including sanctions, may be necessary to persuade Iran to fulfill its obligations and commitments to the IAEA."

Then you go to page 11, section C, and it says, "calls on all countries to intercede with their commercial entities to ensure that these entities refrain from or cease all investment and investment-related activities that support Iran's energy industry."

Go down to line 15 and it says, "calls upon Russia to suspend nuclear cooperation with Iran."

The thing that I think will really allay some of the gentleman's concerns, on page 12, section 13, it says,

"urges the IAEA Board of Governors at its earliest opportunity to report to the United Nations Security Council that Iran is in non-compliance with its agreements with the IAEA; urges the President of the United States to provide whatever financial, material, or intelligence resources are necessary to the IAEA to enable it to fully investigate Iran's nuclear activities; urges the United Nations Security Council, the Nuclear Suppliers Group, the Zangger Committee, and other relevant international entities to declare that non-nuclear weapons states under the Treaty on the Non-Proliferation of Nuclear Weapons, NPT, who commit violations of their safeguards agreements regarding uranium enrichment or plutonium reprocessing, or engage in activities which could support a military nuclear program, thereby forfeit their right under the NPT to engage in nuclear fuel-cycle activities."

It further states on page 13, and I hope this will allay some of his concerns, under section 16, "further urges the United Nations Security Council to consider measures necessary to support the inspection efforts by the IAEA and to prevent Iran from further engaging in clandestine nuclear activities; and urges the President to keep the Congress fully and currently informed concerning the matters addressed in this resolution."

I do not think there is anything in there, and the gentleman and I are good friends, that would give the President carte blanche to go ahead and invade Iran or start a war with them. Although, I think it is important that Iran feel a little uncertainty, although I do not think this bill does it, a little uncertainty about what might happen if they continue this program.

□ 1900

Mr. KUCINICH. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Speaker, I want to say that I think that the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. LANTOS) serve this country well and that there are probably no people stronger in defense of America than both of them. I have total confidence in that, and I just want to express my appreciation for being able to express my misgivings about the language of this bill, but I want to thank the gentlemen for the service that they are giving in expressing the importance of this.

Mr. BURTON of Indiana. Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Before closing, Mr. Speaker, I would like to respond to my friend from Ohio by saying that it is not the intention of this author of this resolution to view this resolution as one authorizing unilateral use of force against Iran.

With that, Mr. Speaker, I urge all of my colleagues to support this resolution.

Mr. Speaker, I yield back the balance of our time.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Before I yield back the balance of my time, I just hope that the Iranian leaders realize that when they continue down this path, they ultimately not only endanger the entire Middle East and maybe areas beyond, and who knows maybe ultimately the United States, but they endanger their own security as well; and it would be far better for them to start thinking about complying with the U.N. resolutions and stopping their nuclear program before there are problems down the road.

This resolution, as my colleague, the gentleman from California (Mr. LANTOS), just said, does not give the President unilateral authority.

Mr. BLUNT. Mr. Speaker, the resolution we are considering today directly confronts what may become a clear and present threat to American security.

For 18 years, the government of Iran has hidden information on its nuclear program from international inspectors. Iran is a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons, a regime which is effective only as long as its signatories are fully committed to full and complete disclosure of any nuclear program for any purpose. The international community has already given Iran the benefit of the doubt. With its rich natural resources, the country does not even need the atomic energy it claims to be producing for peaceful purposes. Why in the world would a country soaked in oil require a nuclear fuel cycle and the enriched uranium that goes along with it? Mr. Speaker, it does not take a detective to smell a rat on this one.

This is very serious business. There is no greater nightmare for this generation of Americans than the idea of a 9/11-style attack involving weapons of mass destruction. Ongoing research into Libya's weapons program, which appears to be a model for compliance and disarmament among all rogue states, demonstrates that the shadowy network of nuclear proliferation is even deeper and more frightening than we had previously suspected. Putting our trust in Iran's undemocratic, fundamentalist leadership to voluntarily safeguard this technology of terror is not an option.

With this resolution, we demand that Iran honor its stated commitments and obligations. The Iranian regime must grant the IAEA inspectors full unrestricted access and cooperate fully with the investigation of its nuclear activities. And our efforts to secure cooperation must be in concert with our European allies and other responsible members of the international community. As we learned on March 11th of this year, no one in the civilized world is safe from terrorism.

And we must be diligent, earnest, and serious in our message. This means that, in the short term, the IAEA must report that Iran is in noncompliance with its obligations under the Nonproliferation Treaty; the European Union and other allies in the war on terror must be active partners in sanctioning the Iranian regime economically; and the President should act to enforce the appropriate provisions of the Iran and Libya Sanctions Act of 1996.

Mr. Speaker, American troops have already deposed a regime whose cooperation on

WMD disclosure was not sufficient. No one should doubt our resolve in keeping weapons of mass destruction out of the hands of terrorists. We cannot trust the ayatollahs in Tehran to responsibly handle technology that could be used against American civilians. If the Non-Proliferation regime is broken, it must be fixed. Quickly.

I urge my colleagues to support this resolution.

Mr. HOYER. Mr. Speaker, while all of us rightly focused on the continuing effort to secure and stabilize Iraq, none of us can close our eyes to the ominous and growing danger posed by the government of Iran.

That is why I strongly support this important bipartisan resolution brought to the floor today by the chairman and ranking democrat on the Committee on International Relations (Mr. HYDE and Mr. LANTOS).

This resolution condemns in the strongest possible terms Iran's continuing deceptions and falsehoods to the International Atomic Energy Agency and the international community about its nuclear programs and activities.

For example, Iran failed to properly disclose the existence of a fuel enrichment plant and facility at Natanz, until both were revealed by an opposition group.

It confirmed that it had conducted research on uranium conversion processes, but only after it denied doing so.

According to a February report by the director general of the IAEA, Iran continues to engage in deception regarding its nuclear activities.

This resolution also calls on the United States, as well as all state parties to the treaty on Non-Proliferation of Nuclear Weapons, to use (and I quote) "All appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons."

The fact is, our national security demands that we do everything in our power to prevent Iran from developing and acquiring nuclear weapons.

The Iranian government is hostile to the interests of the United States. It is a state sponsor of terrorism.

It is a committed enemy of the state of Israel, our staunch ally and the lone democracy in this most volatile region.

It is vital that we speak with one voice on this issue of utmost gravity. I urge my colleagues to support this resolution.

Mr. BERMAN. Mr. Speaker, Iran has repeatedly denied that it is trying to develop nuclear weapons. But it is increasingly difficult to conceive of any other plausible explanation for its efforts to enrich uranium and develop other nuclear-related capabilities. And even harder to understand why else it would try so hard to conceal these activities from the international community. As reported by the International Atomic Energy Agency, Iran has failed time and time again to comply with its obligations under the Nuclear Nonproliferation Treaty. It has also failed to provide a full disclosure of all nuclear activities to the IAEA, and engaged in a pattern of lies and deception.

Since Iran's covert nuclear program was exposed to the world in February 2003, IAEA inspectors have found traces of highly enriched uranium, discovered that Iran had reprocessed a small amount of plutonium, and forced Iranian officials to reveal critical information about advanced centrifuge designs and components. These and other revelations about

Iran's nuclear program are even more troubling in light of Iran's extensive ties to international terrorist organizations.

According to the just-released State Department report on Patterns of Global Terrorism, "Iran remained the most active state sponsor of terrorism in 2003." The report notes that some members of al-Qaeda "have found virtual safehaven" in Iran, while Iranian authorities continue to provide Hezbollah, Hamas, Palestinian Islamic Jihad and other radical terrorist organizations with "funding, safehaven, training, and weapons."

Iran also continues an aggressive program to develop ballistic missiles. According to the Congressional Research Service, Iran has hundreds of short-range missiles, and possibly 10–20 long-range Shahab–3 missiles, which may be capable of carrying a nuclear warhead.

Mr. Speaker, Iran has absolutely no need for a nuclear deterrent. Over the last two and a half years, we have taken care of Iran's only two enemies—the Taliban and Saddam Hussein.

Nor does Iran—with 7 percent of the world's proven oil reserves and the second largest natural gas reserves on the planet—have a demonstrated need for civilian nuclear power.

We must continue to make it clear—to our European allies, who have generally favored a more conciliatory approach to Iran—and to the unelected rulers in Tehran, who continue to lead the Iranian people down this perilous path—that we will not sit idly by and allow Iran to become a nuclear weapons state.

This resolution is an important part of that effort, and I urge its adoption.

Mr. BURTON of Indiana. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COLE). The question is on the motion offered by the gentleman from Indiana (Mr. BURTON) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 398.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will recognize Members for Special Order speeches without prejudice to the possible resumption of legislative business.

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### ORDER OF BUSINESS

Mr. TANCREDO. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

#### PAYING TRIBUTE TO THE VALIANT EFFORTS OF COALITION SOLDIERS IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. TANCREDO) is recognized for 5 minutes.

Mr. TANCREDO. Mr. Speaker, the news media is quick to provide gratuitous coverage of anti-war protests in Europe and elsewhere. They are quick to provide a forum for critics of U.S. policy in Iraq and even quicker to highlight the problems, misfortunes, and missteps of our coalition forces in Iraq. What they rarely do, however, is to highlight the contributions and valor of our coalition soldiers.

Take, for example, the case of Salvadoran Corporal Samuel Toloza. According to a recent Associated Press story, "One of his friends was dead, 12 others lay wounded and the four soldiers still left standing were surrounded and out of ammunition. So Toloza said a prayer, whipped out his . . . knife and charged the Iraqi gunmen."

The story goes on, "In one of the only known instances of hand-to-hand combat in the Iraq conflict, Toloza stabbed several attackers who were swarming around a comrade. The stunned assailants backed away momentarily, just as a relief column came to their rescue."

According to the reports, Toloza and 16 other members were trapped by members of Muqtada al-Sadr's al-Mahdi militia. They initially did not fire their weapons for several hours, for fear of inflicting civilian casualties, despite the fact that insurgents were peppering the group with small arms fire and rocket-propelled grenades. Finally, after fighting back, the group, comprised of Salvadoran and American soldiers, ran out of ammunition. Faced with mounting casualties, they placed wounded soldiers on transports and tried to make their way back to the base. Unfortunately, they ran into a contingent of about 10 insurgents on the way. That is when Toloza, out of ammunition, rushed the insurgents with nothing but his knife, buying enough time for reinforcements to arrive.

"We never considered surrender," Toloza reportedly said, "I was trained to fight until the end."

Phil Kosnett, who heads the Coalition Provisional Authority in Najaf, also has nothing but praise for the nearly 400 Salvadoran troops fighting shoulder to shoulder with American troops in Iraq. In fact, he is so impressed with their valor and dedication to duty, he has nominated six of them for the Bronze Star, and for good reason. The AP story goes on to explain that Kosnett himself believes he owes his life to them. Salvadoran troops, the story continues, "repelled a well-executed insurgent attack on Kosnett's three-car convoy in March."

Mr. Speaker, let us pay tribute to the sacrifices and heroism of our soldiers, as well as those of our allies, like Corporal Toloza, for their efforts and contributions to protecting freedom and on their efforts in the war on terror.

#### CELEBRATING THE LIFE OF MARY MCGRORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. PELOSI) is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, it is with a great deal of sadness that I rise to pay tribute to Mary McGrory, who passed away 2 weeks ago at the age of 85. During her magnificent career with the Washington Star and The Washington Post, Mary informed and engaged her readers on every major event of the past half century.

Mary was a keen observer, an elegant writer and a tenacious journalist; and she was an inspiration to so many women. It was a joy to read her columns, and of course, we miss her terribly. That is why I am so pleased to join my colleagues here today, the gentlewoman from New York (Ms. SLAUGHTER), who was a very close personal friend of Mary McGrory, and our colleague, the gentleman from Massachusetts (Mr. MCGOVERN), who is in the Chamber now, as well as our colleague, the gentleman from Massachusetts (Mr. MARKEY), who had the honor of being pallbearers for Mary. What a tribute.

We loved Mary for her insights. No matter how many reporters covered an event, Mary always found the small detail that had large implications others may have overlooked.

She noted the manner in which Richard Nixon's staff reacted to his retirement press conference in 1962, the bearing of Secretary of Army Robert Stevens during the Army-McCarthy hearings, and so many other fine points. At times, it seemed that Mary grasped the significance of everything that she saw.

She saw nearly everything. We loved Mary for her diligence. She was one of the hardest-working people in Washington. Even into her eighties, she would come to Capitol Hill to see firsthand the events of the day.

She was always willing to have a cub reporter, even a senior editor, take her bags; but she would never ask someone else to take her notes.

She was legendary for looking after every detail, even writing out the instructions for her own funeral. She had directed her former Washington Star colleague, Phil Gailey, to talk about her beloved Star in the eulogy, and she told him: "Don't go blubbering on me the way you do when you read a dog story with a sad ending."

Mary's insight and her industry were matched only by her eloquence. We loved Mary for choosing every word with care.

Mary had a vocabulary that would send her editor reaching for his dictionary, and when she wrote about a retiring Congresswoman once that her "black eyes still snap with the old fire," she gave her readers in eight words a better understanding of the congresswoman than lesser writers did in eight paragraphs.

From the Army-McCarthy hearings that brought her to Washington's attention, to her Watergate coverage for which she won the Pulitzer Prize, to her chronicling of the Iraq War debate which proved to be her swan song, her writing enriched our national dialogue. Those of us who were inspired by President John F. Kennedy, as she was, took sad solace in her loving reporting on his assassination.

Here, in the Congress, we were so fortunate to have the opportunity to honor Mary McGrory in March and to see the outpouring of affection and gratitude for her career. We were joined by many Members of the House of Representatives, many members of the United States Senate, many of her colleagues from the press corps. We were her fans, and we were there for her.

God blessed America with Mary McGrory, a beautiful writer, a wonderful person. Her passing is a tremendous loss for us all.

She loved Boston. She loved being Irish, but she also loved Italy; and she had a bond always with the Italians. She visited Italy frequently.

She loved her garden. We all know how much she loved her garden. One could talk all day about Mary McGrory and never be able to capture her in the way she would capture her. Nonetheless, it was an honor and a privilege, and, indeed, a joy to be able to call her friend.

Again, I know that I speak for many in this Chamber who will say thank you, Mary, for what you have given us. Thank you for being a blessing to our country. We will miss you sadly. Thank you.

#### WASHINGTON WASTE WATCHERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HENSARLING) is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, I rise again this week as part of the Washington Waste Watchers, a Republican working group dedicated to rooting out the rampant waste, fraud and

abuse that permeates every corner of the Federal bureaucracy.

I hope that soon the House of Representatives will be able to vote on a conference report for the fiscal year 2005 budget. Now, we have historically a large deficit in this Nation; and at this time, many of my Democrat colleagues suggest that it is time to yet again raise taxes on American families. Just last week, many voted against marriage penalty tax relief, the very same marriage penalty that would raise taxes on 30 million married couples by \$369 next year.

Many Democrats keep demanding that we roll back the tax relief that is responsible for the unparalleled growth in our economy, the tax relief that is creating jobs; and the tax relief, if we look at the budget, amounts to 1 percent of the \$28.3 trillion, trillion with a T, 10-year spending plan that we approved last year.

So if they are truly concerned about the budget deficit, perhaps they should focus on 99 percent of the challenge, and that is, the spending side of the equation, much of which, Mr. Speaker, unfortunately proves to be waste, fraud and abuse.

We must all realize that the deficit is the symptom. It is spending that is the disease. It is only the fourth time in the history of our Nation the Federal Government is now spending over \$20,000 per household. This figure is up from just 5 years ago of \$16,000 per household, representing the largest increase in the Federal Government in 50 years.

We have a spending problem in Washington, not a taxing problem; and I, for one, say it is not time to raise taxes on the American family as many Democrats seek to do, but it is time to get serious about rooting out the waste, the fraud, the abuse.

□ 1915

In other words, it is time to take out the trash in Washington. Let me give a few examples of waste in just one government agency. The Interior Department's Inspector General revealed that the Department now manages approximately 31,000 separate Web sites, presenting between 3 and 5 million pages of information with maintenance costs approaching \$220 million a year. Now, AOL-Time Warner, who I believe is the largest Internet service provider in the world, manages in contrast about 50 sites, but the Interior Department manages 31,000 different Web sites. In an agency that employs 70,000, that means the Department of Interior has almost one Web site for every two employees.

Yet Democrats want to raise our taxes that would pay for more of this?

The Inspector General also reported at the Interior Department that we awarded \$44 million in Federal contracts to the CEO of a tribal Indian corporation who stole and laundered a half million dollars in Federal funds.

The Guam Waterworks Authority, which receives Federal grants, incurred

outrageous overtime costs of \$8.6 million over a 3-year period, failed to collect delinquent accounts totaling \$12.6 million, and failed to charge customers for a half million cost of water line extensions, all of this while using money from the Federal taxpayer. Yet Democrats want to raise taxes that will pay for more of this?

In another example, the National Park Service spent \$800,000 on an out-house, and it does not even work. The only thing it flushes is more of the American worker's hard-earned money down the drain. The list goes on and on and on.

Mr. Speaker, these are just a few examples of waste in just one Federal agency. The problem is we have over 10,000 Federal programs spread across 600 different agencies with little accountability to anyone. Republicans are trying to work to root out this waste of the American tax dollars. This should be a bipartisan issue, but many of our Democrat colleagues continue to fight us.

Last year our Committee on the Budget passed out a budget asking for authorizing committees to identify just 1 percent waste, fraud and abuse; just 1 percent. Yet Democrat leaders ridiculed the effort. One termed it a senseless and irresponsible exercise.

Mr. Speaker, I believe most Americans would disagree with that statement. In fact, I believe most would say saving taxpayer money and rooting out waste is common sense and the responsible thing to do with their money. The truth is there are many ways we can save money in Washington without cutting any needed services and without raising taxes on our hard-working American families because when it comes to Federal programs, it is not how much money that Washington spends that counts, it is how Washington spends the money.

#### CONGRESSIONAL OBLIGATION TO SEEK ANSWERS

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, today in Iraq, 138,000 American troops are putting their lives on the line. Despite the President's "Mission Accomplished" declaration, more of our brave service men and women died last month since any month since the war in Iraq. Deputy Defense Secretary Paul Wolfowitz does not know how much the war costs, or that 764 Americans have died, but that is typical of an administration that refuses to admit its mistakes or explain its policies.

The images of tortured prisoners, broadcast throughout the world, have done irreparable damage to our mission and credibility in the Middle East. Still the majority of the House and the chairman of the Committee on Armed Services said congressional hearings are unnecessary.

Let me quote President Kennedy. "An error does not become a mistake until you refuse to correct it. Without debate, without criticism, no administration and no country can succeed, and no republic can survive."

President Kennedy possessed the kind of leadership that allowed him to acknowledge mistakes and accept responsibility. But now there is a different standard, and today America received this response from House majority leader, the gentleman from Texas (Mr. DELAY), commenting on the possibility of a congressional investigation into the scandal of Iraq and the torture of its prisoners, "A full-fledged investigation, that is like saying we need hearings on every case of police brutality. I do not think they are warranted."

This Congress has an obligation to our constituents, to our country, to ask the how and the why about Iraq and seek answers. While refusing to hold hearings on Iraq, here is a list of what Congress has passed since the Easter break: Named, the John J. Pershing Post Office; named, the Wilkie D. Ferguson Courthouse; named, the Dosan Ahn Chang Ho Post Office; named, the Rhode Island Veterans Post Office; named, the Richard G. Wilson Postal Facility; named, the Paul Simon Federal Building; named, the James V. Hansen Federal Building; named, the Ronald Reagan Federal Building; commended the Garden Club of America; urged the release of Wang Bingzhang; recognized the importance of music education; congratulated the University of Connecticut basketball teams; congratulated the University of Denver men's hockey team; congratulated Kennesaw State University men's basketball team; authorized the use of Capitol grounds for the Soapbox Derby; authorized the use of Capitol grounds for the Police Officers' Memorial; honored Melvin Jones and Lions Clubs; supported the goals of Financial Literacy Month; supported the Green Chemistry Research and Development Act; authorized the Congressional Medal for Math and Science Education; supported Taiwan's entry into WHO; promoted freedom and democracy in Laos; recognized the importance of increasing autism awareness; increased Capital Access for Growing Business Act; and congratulated charter schools, to name a few.

As worthy as this legislation may be and while we passed all of this unanimously, here is what our brave men and women we all love to acknowledge and respect, here is what their headlines said: Insurgents kill 12 Marines in Sunni Triangle; al Qaeda claims responsibility for attacks in Iraq; As multifront uprising continues, U.S. loses control of Najaf, Kufa to Shiite Militia; Marines were Ambushed in Ramadi; Three more Marines killed in Iraq; Two U.S. troops killed; Sanchez declares current troop strength adequate as casualties mount; Fate of American hostage in Iraq still unknown; Apache helicopter reported

down; Nine Americans missing; Thirty-four foreign civilian kidnapped in Iraq; Five soldiers killed; April worst month for U.S. casualties; Pentagon extends tour of 20,000 troops in Iraq; Violence delays reconstruction projects; Ten U.S. soldiers killed across Iraq; U.S. troops in Iraq say Pentagon is failing to keep them equipped; Coast Guard seen as underfunded; General says Humvees are not up to the job in Iraq; Baghdad sniper kills American soldier; Ten U.S. troops killed on Thursday; Treasury agency has more employees tracking Castro than bin Laden; Eleven U.S. soldiers killed in four separate attacks by insurgents.

That is what our troops face and that is what Congress has done. We have an obligation to ask questions about Iraq and seek the answers. The Nation's standing in the world and people's lives are at stake. We have spent \$112 billion to date on the war and reconstruction of Iraq. We owe it to our constituents to ask questions and seek the answers that they are asking and seeking.

And the breaking news this afternoon, the Bush administration is asking for an additional \$25 billion without taking responsibility for what has happened to date.

As President Kennedy once said, to govern is to choose. While Congress has named its Post Offices and used the facilities for the Soapbox Derby here on the Hill, Americans at home have faced these headlines: Dow Chemical plans to cut 3,000 jobs; Winn-Dixie plans to cut 10,000 jobs.

We can handle the Post Office naming and hold hearings into the whys and the hows of Iraq. We owe it to the people we represent. We are here to ask those questions and seek those answers.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MARIO DIAZ-BALART) is recognized for 5 minutes.

(Mr. MARIO DIAZ-BALART of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### ORDER OF BUSINESS

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent to claim the time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### SMART SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, I would like to say regarding the death of Mary McGrory that I just met here a year or so ago. She sized me up and said, you look good, but let us see what you are made of. Well, tonight let us go.

Mr. Speaker, last week the House voted unanimously to allow military reservists and National Guardsmen to make penalty-free withdrawals from their retirement accounts when they are called up for an extended period of active duty. Penalty-free withdrawals from their very own retirement accounts.

This bill seeks to help the one-third of Reservists who took a pay cut when called to duty in Iraq. Every Member of Congress supported this legislation because everyone supports the brave men and women who selflessly sacrifice their time, their energy, and increasingly their lives on behalf of this country. But we should not be proud of ourselves for unanimously passing this legislation. Instead of patting ourselves on the back for allowing our Reservists to raid their retirement accounts penalty free. We should be doing much more for those who defend this country during times of war.

Last November this Congress passed outrageous legislation to fund the war effort to the tune of \$87 billion. That is on top of the \$78 billion in supplemental funds that was appropriated in March 2003, yet reports show billions of those dollars are being misused, misappropriated and some even stolen in Iraq. On top of that, the Pentagon today is asking for \$25 billion more in a 2005 supplemental package.

There is something drastically wrong when big companies like Halliburton and Bechtel get rich off the war effort, while the only riches paid to the Reservists who left their jobs to serve in the United States military are those that they raid from their own piggy banks.

There has to be a better way, and there is. One that emphasizes brains instead of brawn, one that is consistent with American values.

I have introduced legislation to create a SMART Security platform for the 21st century. SMART stands for Sensible, Multilateral American Response to Terrorism. It treats war as an absolute last resort. It fights terrorism with stronger intelligence and multilateral partnerships. It controls the spread of weapons of mass destruction with a renewed commitment to non-proliferation, and it aggressively invests in the development of impoverished Nations with an emphasis on women's health and women's education.

We need to shift our budget priorities to reflect the true needs of the American people. We must properly support the thousands of soldiers who sacrifice daily to serve and protect our Nation. SMART Security means equipping our troops with the tools essential to their survival, body armor capable of stopping bullets, armor for tanks that will help prevent the destruction of U.S. military convoys, and the necessary water equipment to keep the troops hydrated in the desert heat.

None of these things were funded fully, even after Congress approved \$155

billion in supplemental spending last year.

SMART security means creating a permanent post-conflict unit that provides the first layer of reconstruction in countries that have been devastated by war and/or by oppressive dictators like Iraq and Afghanistan. And SMART would mean funding all Army peacekeeping units devoted to studying and preparing for future peacekeeping missions.

The Bush doctrine has been tried, and it has failed. It is time for a new national security strategy. SMART Security defends America by relying on the very best of America. Our commitment to peace, our commitment to freedom, our compassion for the people of the world, and our capacity for multilateral leadership. SMART Security is tough, SMART Security is pragmatic, SMART Security is patriotic. SMART Security is smart, and it will keep America safe.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### EXCHANGE OF SPECIAL ORDER TIME

Mr. McDERMOTT. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Oregon (Mr. DEFAZIO).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

#### CYBERSTALKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. McDERMOTT) is recognized for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, America now knows the name of a woman who lives in my congressional district in Seattle. But she did not seek fame and would prefer anonymity.

Her name is Joelle Ligon. I rise to speak about her plight, her courage and the need for this Congress to act. Joelle deserves to live her life without fear, as everybody deserves. Unfortunately, Joelle's life was turned into a nightmare because of cyberstalking.

□ 1930

Today she is both a victim and an advocate, and she was invited to share her story the other day on "Good Morning America." It was not easy for Joelle, but she knew it was important to warn America about the dangers lurking online. Joelle was 15 when she met and dated an 18-year-old young man in high school. Nothing unusual about that. Eventually Joelle severed

the relationship and moved on with her life. She married and began a career. A few years later, Joelle received an e-mail one day. It was supposedly sent from a woman she did not know, but whoever sent it knew her. Then a second e-mail came with more personal details that no stranger could possibly know. Joelle began to suspect that the woman was really a man. By the third e-mail, Joelle was sure the e-mails were coming from her former high school boyfriend. She wrote back, naming him, and telling him to stop. Things went from bad to bizarre. The e-mails got much worse. They began to include pornography and threats like this: "Not only is it bad karma to have enemies, I'm a bad enemy to have."

Joelle was terrified. Then came phone calls in the middle of the night. Her phone number had been posted online by someone urging men to call her for sex. Joelle went to the local police, but they concluded there was nothing they could do because no law had been broken. Joelle and her husband moved to Seattle, but within months the nightmare came back. Joelle started receiving calls at work from men who had seen her number posted online in sex chat rooms. She again went to the local police and to the FBI, but nothing was done. Finally, her coworkers and supervisors received an e-mail that accused her of falsifying her employment credentials and of sexual misconduct. The city of Seattle's computer security officer, Kirk Bailey, became the white knight. He got people involved, but progress was painfully slow because no laws specifically address cyberstalking. Eventually an assistant U.S. Attorney got involved, but finding a law to deal with a 21st century crime has been tough.

A break in the case came when the ex used her phone number in a chat room. Authorities acted, using title 47 of the Telecommunications Act for the first time in a case like this. The ex-boyfriend has been charged, but it has taken years and a courageous woman willing to see it through.

And it is not over yet. Joelle and millions of other Americans need our help. By some estimates, one out of every 12 women in America is stalked online. The problem extends to men as well. Some States, including Washington, have acted to toughen the laws, but it is time to recognize that cyberstalking is a national problem. We are using a 20th century law to fight 21st century crime. That has to change. Cyberspace has no State borders. Cyberpredators can reach across State lines to terrorize their victims wherever they live and work. Americans like Joelle need the protection that only the Federal Government can provide. We need to modernize our laws to make sure they protect Joelle and every American.

Cyberspace has opened doors we are just beginning to understand. This one, we already know. Everyone has the right to feel safe and be safe. Anything less is wrong and should be illegal with

severe penalties. The first step is awareness. I am preparing a letter to circulate to my colleagues that will include newspaper accounts from Seattle about Joelle. We are going to work with the appropriate Members and committees in the House as soon as possible to tackle cyberstalking head-on. We will do what we need to do to clarify and strengthen our laws.

I urge both Republicans and Democrats to join me in protecting Joelle, to join me in protecting every American. Let the predators know that they are the only ones who should not feel safe today.

Joelle, you are not alone. Help is coming.

#### RECOGNITION OF UPCOMING ELECTIONS IN BELARUS

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, the world has seen some tremendous advancements in the last couple of months. We have had NATO enlarge with 10 new members. Just Friday we saw the EU expand also, now including 25 European nations. We do have a Europe united, whole and free. An exciting new thing about the new entrants to NATO and the new members of the European Union is that they are involved and they are engaged and they are dedicated to promoting freedom and democracy and liberty around the world, not just in our conflict with international terrorism; and many of the new entrants are part of the coalition of the willing, but also in neighboring states, being involved in helping promote the formation of democratic ideas, the formation of the rule of law, judicial courts. It is these new former Eastern Bloc countries, new entrants to the EU, new entrants to NATO that are engaged in transforming Europe to be united, whole, free and at peace.

However, Mr. Speaker, there is a glaring exception in Europe and that exception is the nation of Belarus of which I speak just for a few moments tonight. Belarus is the last dictatorship in Europe. As we follow and as I follow and the Nation follows the upcoming elections, I want the people of Belarus to know that the United States will be watching these upcoming elections and that they have a partner that wants to ensure democracy wins.

However, current events threaten those elections. Current events continue to plague the people of Belarus and those who want democratic reform and freedom. On May 3, Anatoly Lebedko, chairman of the United Civic Party, was questioned at Minsk's Sovetsky District Police Department over his alleged participation in the unsanctioned April 26 Chornobylski Shlyakh (Path of Chernobyl) march in Minsk. The police alleged that Lebedko was an "offender" for participating in

the march and continued their interrogation until it was proven with their own video of the event that Lebedko had not even been there.

Despite that, Lebedko remains a target of the police and their harassment. Could it be that Lebedko has emerged as a threat to the current regime by advocating freedom and democracy? The important thing for the current regime in Belarus to understand is that Washington and the world are watching. The exciting thing about the upcoming election is that many of the parties that have for years been adversaries have been united, and they are united in forming a ticket from the UCP to the trade unionists. In fact, they call themselves the Group of Five, five diverse parties from the far left to the far right, united to have a strong presence on the ballot to give the people real choice, one choice that represents freedom and democracy versus an authoritarian totalitarian regime that we now find in Belarus.

I ask my colleagues here in this House to continue to keep the people of Belarus in their prayers as we hope and pray that they are the next European country that moves to full, free, and unhindered democratic government and principles and joins the world of nations and the EU as strong participants in the battle for freedom.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. WYNN) is recognized for 5 minutes.

(Mr. WYNN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### ORDER OF BUSINESS

Mr. MCGOVERN. Mr. Speaker, I ask unanimous consent to take my Special Order out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### IN MEMORY OF MARY McGRORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 5 minutes.

Mr. MCGOVERN. Mr. Speaker, first of all I want to thank the gentlewoman from New York (Ms. SLAUGHTER) for urging many of us to come to the floor today to say a few words about Mary McGrory, who passed away 2 weeks ago.

Mr. Speaker, like countless people in this country and around the world, I loved Mary McGrory. She was an absolutely beautiful writer, and she was an absolutely beautiful person. To me, she was a treasured and dear friend. Mary's columns, which first appeared in the Washington Star and then in The Washington Post, were always well written and always right to the point.

She took on such subjects as Joe McCarthy, the war in Vietnam, Richard Nixon, and U.S. policy in Central America. And while she was an unabashed liberal and proud of it, many of her admirers included some of the most conservative politicians in America, in large part because they admired her integrity and her character. She called it as she saw it.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. MCGOVERN. I yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding.

Mr. Speaker, I would like to join and commend him and commend our Rules Committee colleague, the gentlewoman from New York, for focusing on the life of Mary McGrory. I think that the gentleman may have been referring to me with what he just said because I am a proud Republican who often, in fact I rarely agreed with Mary McGrory. But the fact of the matter is she was an incredible writer, an extraordinary human being, and very talented. I had many vigorous exchanges with her on a wide range of issues. Believe it or not, we did on more than a couple of occasions come down on the same side on an issue. She was thoughtful, she was dedicated, and she was very capable.

I just want to thank my friend and join as one of those Republicans who did have a great admiration for this great woman. I thank the gentleman for yielding and again thank the gentlewoman from New York.

Mr. MCGOVERN. I appreciate the gentleman's words.

Mr. Speaker, I would also remind those who are watching that her words that appeared in the Washington Star after the assassination of President Kennedy are still remembered and are still quoted today and are incredibly moving. She was also a rarity in that when she felt she was wrong, she said so. I remember that she was less than thrilled when President Bill Clinton gave Gerry Adams a visa to come to the United States to engage in talks about peace in Northern Ireland. It was a big deal to many of us who thought President Clinton was right because when you think of Irish, you think of Mary McGrory, and it was important to have her on your side. But later on Mary demonstrated the courage and the moral compass to publicly observe that her original words of skepticism might have been wrong. I admired that so much that she was willing to write in her column that she had a change of heart.

Over the years, Mr. Speaker, I had the privilege of being invited to many of Mary's famous dinner parties. These remarkable events were attended by who's who in Washington. There were politicians, journalists, administration officials. Oftentimes the Ambassadors of Ireland, Italy, and India were present. There were young people and some not-so-young people, and there were lots of people whom Mary just

found interesting, friends of hers over the years. The conversations were always lively and off the record. I learned a lot about Washington and the world just by sitting back and listening.

These dinner parties, however, were about more than just politics and good conversation. They were parties that were also about entertainment and about fun. Mary liked to have people sing for their supper. Mark Gearan, a long-time aide to President Bill Clinton, former director of the Peace Corps and now president of Hobart and William Smith Colleges in Geneva, New York, was regularly enlisted to play the piano. Phil Gailey, a former co-worker of Mary's at her beloved Washington Star and now with the St. Petersburg Times, would play some sort of harp instrument that to this day I still cannot identify.

Some of Mary's guests, like LOUISE SLAUGHTER and TOM DASCHLE and John Podesta and DICK GEPHARDT and ED MARKEY and Max Cleland and Mary Gearan and NANCY PELOSI, the late Tip O'Neill and my former boss, the late Joe Moakley, were often called upon to sing from Mary's song book. Some of her favorites included "Amazing Grace" and "The Battle Hymn of the Republic" and "When Irish Eyes Are Smiling." Other people were asked to tell jokes or recite poetry. And then there were people like me with absolutely no talent who would hide in the back of the room, I was always afraid she would call on me, and watch this amazing show unfold.

Mary also did a great deal for this community. She was a huge supporter of St. Ann's Infant and Maternity Home in Hyattsville, Maryland. She volunteered there. She read to a lot of young kids, many of them who had no families. She gave them love, and she gave them hope. She used to take them to Hickory Hill, to Ethyl Kennedy's house, for swimming on a regular basis. A lot of the young kids could not pronounce her name, so they used to call her Mary Gloria instead of Mary McGrory. In fact they named a room after her called the Mary Gloria Room.

Mr. Speaker, let me just conclude with one final personal thought. When Mary died, she left instructions about how her funeral would be conducted. Her assistant Tina called me and said that Mary wanted me to be a pallbearer. I was so touched, and I thought it was such a great honor. It was to me an honor like getting an honorary degree from an Ivy League college or university because I admired this woman so much. She stood for all the right things, and she was a great woman of integrity and character.

Mr. Speaker, all of us who are gathered here today and I think all the people who are watching all throughout this country will miss Mary McGrory. I already do.

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

(Mr. GEORGE MILLER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### ORDER OF BUSINESS

Ms. SLAUGHTER. Mr. Speaker, I ask unanimous consent to take my Special Order out of turn.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

□ 1945

#### CELEBRATING THE LIFE OF MARY MCGRORY

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentlewoman from New York (Ms. SLAUGHTER) is recognized for 5 minutes.

Ms. SLAUGHTER. Mr. Speaker, I rise today to celebrate the life of a consummate patriot Mary McGrory, who passed away 2 weeks ago, and we may never see her like again. Mary was a loyal friend, a generous humanitarian, and most of all, a brilliant writer. Her lyrical commentary illustrated a command of the English language that was unparalleled. She used her talents to craft tough commentary, softened only by her steadfast compassion. Her allegiance to the defeat of injustice and the exposure of political phonies made her a champion to the underprivileged, a thorn in the side of policy makers, an icon to many, and a hero to me.

I met Mary McGrory shortly after coming to Washington when I was first elected in 1986. And as part of my campaign, I had run against the Contras. I thought everybody was. But Mary singled me out as being somewhat unusual, and she interviewed me for an article shortly after I got here that she was writing about the Iran Contra hearings, and we became very fast friends. I certainly never expected that wonderful national icon Mary McGrory to seek me out, but I had always loved her articles and I was awestruck by the fact that we were friends.

The passion with which she approached her life was remarkable. Nothing she did was done halfheartedly or without absolute conviction. As a result, her achievements as a journalist were preordained.

Mary's story serves as an inspiration to women working to achieve their dreams. When she entered the field of journalism, men dominated it. Journalism was not an easy profession for a woman to break into. Her first assignment in Washington was "gender appropriate" for the time, writing the book reviews for the Washington Star. But then she covered the Army-McCarthy hearings in 1954. Mary McGrory was the first person in the country to announce and denounce Joe McCarthy



as a bully. She then earned a national reputation as a serious and credible journalist of the first magnitude.

She grabbed the heart of the Nation with her coverage of President Kennedy's assassination. Her poetic tribute to his life and gentle commentary of his funeral comforted a grieving Nation.

The national spotlight shined on Mary again in 1974 when she was awarded the Pulitzer Prize for commentary for her coverage of the Water-gate scandal. She was most proud that her coverage landed her a spot on President Nixon's notorious "enemies list." That recognition served not as a warning to tame her merciless analysis but as a validation for her relentless work ethic.

When the Washington Star closed its doors in 1981, Mary was devastated. I am convinced, I believe, that she had lost her own true love. Although she would continue to write for the Washington Post, whom she also loved, her first allegiance was to the Star.

My colleague has already talked about the wonderful work that she did with the orphans and the children needing help in this city for more than 5 decades, but I can never forget Mary McGrory the entertainer. I was a proud member of the Lower Macomb Street Choral Society for which we had to audition. Whether one was a diplomat, a media member, or anybody, they had to audition for that group in the comfort of her living room. Her infamous lasagnas fed our stomachs and her favorite Irish songs fed our hearts. It was a coveted invitation to go to McComb Street, and then for the last 10 years, Mary and I have had dinner together here in the Capitol just before the State of the Union address, and the next one for me will be extremely lonely.

I last spoke with her on the day that the gentlewoman from California (Ms. PELOSI) rescued the portrait of Mary Theresa Norton from one of the Capitol closets. She had been the Chair of the Committee on Labor and was responsible for child labor laws and the fair labor standards, and we knew nothing about her. We were happy that day to find an article that Mary had written about Congresswoman Norton where she quoted the gentleman from Michigan's (Mr. DINGELL) father as saying that Mary Theresa Norton could do anything that any man could do and do it better and do it faster, and it was a great honor to pay to her.

I would like to end with one of Mary's favorite songs that we sang together with Phil Gailey sometimes at 2 and 3 in the morning, and they sang this at her funeral, and I know the gentleman from Georgia (Mr. LEWIS), who is here in the audience, will know this.

I'll meet you in the morning  
With a how do you do  
And will sit down the river  
And with rapture old acquaintance renew.  
You'll know me in the morning  
By the smile that I wear

When I meet you in the morning  
In the city Four Square.

I will meet you there, Mary.

#### ORDER OF BUSINESS

Mr. BLUMENAUER. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

#### ABU GHRAIB PRISON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, as an American, I am ashamed and disgusted by the horrendous unspeakable acts at Abu Ghraib prison caught in pictures and displayed around the world. The impact of these images is devastating precisely in the part of the world where we are already struggling to counter the widespread impression that we do not respect the Arab world and Islamic traditions.

There is no excuse for these pictures and the acts shown. There is no excuse for a Secretary of Defense to be out of the loop and then deliver an apology that sounds like a lecture. I have listened repeatedly to Secretary of Defense Donald Rumsfeld dismissively brush aside penetrating questions from Members of Congress about both his policies and their execution.

We have seen Rumsfeld and his civilian managers at the Pentagon fail to appreciate and understand concerns from their uniformed command structure. They have dismissed the truth tellers like General Eric Shinseki who gave an honest and accurate assessment of troop requirements. They have removed people within the administration like White House National Economic Council Director Larry Lindsey who was candid about the cost of this war.

At one time I thought Rumsfeld's refusal to put a price on the projected cost on the mission he was leading was because he was trying to hide it.

While it is true there has been no excess of candor from this crew, it is becoming more and more clear that another reason that Rumsfeld and his team have not been forthcoming is that they probably really do not know. They have not a clue and repeatedly do not appear to care that they do not know.

The most recent example from the guy who is always trying to look like he is in charge but not knowing what is going on is the report of the abuse of Iraqi prisoners which has forced the President into a series of embarrassing efforts to apologize. A war that has begun with the exaggerated threats of weapons of mass destruction has morphed into a war that is based upon, well, I frankly do not begin to under-

stand the latest justification. It took reporters like Seymour Hersh of the New Yorker to force other reporters to know what they knew and only when the truth behind the administration's contradictions and misinformation is exposed does the administration acknowledge that there may be a problem. And now months after a report that highlighted these problems, there is a grudging acknowledgment and apparently some steps are being taken to correct it after widespread damage to our credibility, damage to our already low-standing in the Arab world, and giving a green light to people who take our troops and other American citizens hostage as we have lost moral authority to effectively protest abuse of our people.

The administration does not know what is going on and clearly they are unsure about what to do. They are spending huge sums of money on private contractors that is not just eating up far more than it would take to equip U.S. troops properly but blurs lines of responsibility. They do not know whom to hold accountable, and if they did, it is unclear what they can do to these independent contractors other than canceling a contract.

I think it is clear four things need to happen. First, we should open our Iraqi prisons to independent third-party monitoring by the United Nations and International Red Cross. There is a reason why we should honor constitutional protections and commit to international standards of law and prisoner treatment. We should stop delegating to unaccountable private contractors functions that should be under the direct control and supervision of United States military uniformed command. We need to get a new Secretary of Defense, somebody who really is on top of the situation and who does read reports, who is not dismissive of our allies, of Congress, and of his own uniformed command.

Most important, for those of us who are in Congress, we should be finding out ourselves about these issues, not relying on the New Yorker and CNN.

There was a time when congressional panels, oversight committees were exercising oversight. We can grumble about the administration, but failure to do our job is only our fault.

#### PRISONERS IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATSON) is recognized for 5 minutes.

Ms. WATSON. Mr. Speaker, we are all shocked, saddened, and outraged by recent reports of the abuse of prisoners in Iraq and Afghanistan. The evidence cannot be in dispute. Graphic photos have gone from one end of the earth to the other that show stripped young Iraqi men forced to lie in a naked pile with a male and female soldier standing over them and hamming for the camera. Whether we like it or not, the

picture of a hooded, wired prisoner, which one commentator described as an eerie throwback to drawings from the Spanish Inquisition, has become the new image of the U.S. occupation of Iraq.

And this hooded image may be one of the kinder and gentler images to have yet seen the light of day. A highly critical report completed by the Pentagon in March paints a much more graphic and disturbing picture of prisoner abuse. The report outlines a number of intentional abuses, and I will quote partly from it: "videotaping and photographing naked male and female detainees; forcibly arranging detainees in various sexually explicit positions for photographing," and "a male MP guard having sex with a female detainee; sodomizing a detainee with a chemical light and perhaps a broomstick; and threatening male detainees with rape."

Yes, we are all sickened and outraged by the photos and the reports. The President, his cabinet, military leaders, and the Secretary of Defense have all lined up to say that this is not what America is about; it is just the unfortunate handiwork of a few bad apples, and they will be held accountable for their actions. Perhaps. But as Philip Kennicott writes in today's Washington Post: "These photos show us what we may become as occupation continues, anger and resentment grows and costs spiral. There's nothing surprising in this. These pictures are pictures of colonial behavior, the demeaning of occupied people, the insult to local tradition, the humiliation of the vanquished."

Should it be surprising, however, that these events have occurred under the watchful eye of an administration that prizes secrecy and loyalty above all else?

Mr. Speaker, the prisoner abuse scandal demonstrates that the United States is on the precipice of a major foreign policy disaster. Our standing in the world has been lowered to the point that the United States has been isolated in the court of world opinion. President Mubarak has stated unequivocally that the United States is the most hated Nation in the Middle East. Ouch, that hurts. And sadly, even in other parts of the world, we are no longer viewed as peacemakers but instead as the principal threat to world peace.

To date, the war has cost the taxpayers over \$150 billion. Now we are being told that the war will cost more and that 135,000 U.S. troops will remain in Iraq through 2005. Billions of dollars have been spent to enrich private corporations such as Halliburton and Bechtel. Private contractors are running around even interrogating prisoners with what appears to be less than optimal supervision. Congress has failed thus far to exercise its proper oversight of the war. What additional scandals and outrages are lurking just around the corner?

Mr. Speaker, now is the time to change course in Iraq. The principal architects of the war in Iraq, Secretary Rumsfeld and Deputy Secretary Wolfowitz, have presided over a failed policy. It is past due time for them to leave their posts and submit their resignations. The security, safety, and prestige of our Nation is at stake, and we will not win the hearts and the minds of Iraqis, the Arabs, and the rest of the world with blood in the sand.

□ 2000

Mr. DREIER. Mr. Speaker, will the gentlewoman yield?

Ms. WATSON. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I simply would like to say that while I disagree with the final conclusion that the gentlewoman has just drawn, the outrage that she began stating in her comments is outrage with which we totally agree; and we have been working over the last couple of days since this news came out to bring forward what we hope will be a bipartisan resolution from this House tomorrow. We are going to be meeting, it appears now, possibly early in the morning in the Committee on Rules to report out a resolution which will state our strong condemnation of the actions that we have seen taking place in the treatment of these Iraqi prisoners.

Mr. Speaker, I thank my friend for yielding me time so I could clarify this.

#### CELEBRATING NATIONAL ALLERGY AND ASTHMA AWARENESS MONTH AND ALLERGY AND ASTHMA AWARENESS DAY

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-MCDONALD. Mr. Speaker, this month we are celebrating National Allergy and Asthma Awareness Month. Yesterday was Allergy and Asthma Awareness Day.

Last night, while attending the Allergy and Asthma Network Mothers of Asthmatics Awards Recognition Dinner, I had the pleasure of meeting two dynamic young people who suffer from asthma and yet are doing amazing things to raise awareness about this respiratory disorder.

Evan Mungan of Arnold, Maryland, and Rachel Lambin of Gardenville, Nevada, were the recipients of the AANMA Creative Kids Sunny Awards, which highlights drawings, paintings and writings by children who share their feelings about asthma.

Mr. Speaker, Evan won an award for his drawing entitled "Good Day/Bad Day," which is here on the floor, which illustrates the difference between a healthy lung and a lung with asthma.

Rachel wrote this original composition, "When I Can Breathe," which is here on the floor, which expresses her

feelings when the weight of asthma has taken its toll on families.

Asthma is the most common chronic disease of childhood; and, unfortunately, the number of children and young people with asthma is increasing. About 17 million U.S. citizens have asthma; 5 million of these are children under the age of 18. About one in 13 school-age children has asthma. Health care costs related to asthma are estimated at \$14 billion annually.

Both Rachel and Evan joined me on the floor today, Mr. Speaker, and they had the opportunity to be on the floor with their siblings, John Henry and Anabel, to take part in meeting Members and shaking their hands. They really did enjoy that.

But, Mr. Speaker, the faces of asthma sufferers are the faces of all of our children, and I believe we have a duty to help them. Earlier this Congress, I introduced the Asthma Awareness and Treatment Act of 2003. This legislation allows the HHS Secretary to award contracts for a national media campaign to inform the public and health care providers on asthma, allergies and related respiratory problems, especially in children, and provides research into whether there is a causal relationship between air pollutants and the occurrence of asthma, allergy and related respiratory problems.

I am also proud to cosponsor H.R. 2023, the Asthmatic Schoolchildren's Treatment and Health Management Act of 2003. This legislation would give funding preference to those States that protect students' rights to carry and use prescribed life-saving asthma and other medications.

I would like to thank the AANMA for all of their hard work in making this 7th Annual Asthma Awareness Day on Capitol Hill such a resounding success. I joined with my colleague, the gentleman from Texas (Mr. BARTON), to cochair this year's day on Capitol Hill.

#### TIME TO GET OUT OF IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEWIS) is recognized for 5 minutes.

Mr. LEWIS of Georgia. Mr. Speaker, I rise today with a heavy heart, but my conscience is clear. I am so sick and tired of seeing so many of our young men and our young women die in Iraq.

Why has our Commander in Chief led them to their deaths in this unnecessary war? What will we tell the parents who will never see their children again? What will we tell the children longing in vain for their mothers and fathers to come home? Why did they die? Why?

After the atrocities we have committed against the Iraq prisoners of war, after the physical and psychological damage we have inflicted on the people of that nation, we can no longer truthfully say we are leading Iraq to freedom. Before the war, we were told that we would be welcomed as liberators.

Mr. Speaker, I say to you today, we must take a good hard look at our leadership in America. I say to you today, we must hold them accountable for mistake after mistake we have committed in this war. We must hold them accountable for the deaths of our young people, and we must hold them accountable for the unjust torture of our prisoners of war.

Mr. Speaker, it is not a question of who committed these unbelievable acts of torture. It is not a question of who, but what. What led to this flagrant disregard for the humanity of our fellow human beings?

Those at the highest level of this government, the President, the Vice President and the Secretary of Defense, they have all created the climate and the environment that led to these abuses. They have disregarded the sovereignty of another nation. Now our soldiers have disregarded the humanity of the citizens of Iraq.

Violence begets violence, Mr. Speaker. A military overthrow of another government does not lead to a peaceful democracy.

American soldiers smiling as they humiliate citizens of Iraq. There must be a sense of righteous indignation in America about what happened in those prison cells, and there must be a sense of righteous indignation in this Congress against these unspeakable acts.

Mr. Speaker, I have said it in the past, and I will say it again today: war is messy. It is bloody. It tends to not just hide the truth, but to sacrifice the truth.

Why did it take so long for this information to come out? Why did the officials at the highest level of government try to hide these crimes against humanity? Why did they try to cover them up?

Mr. Speaker, we have made mistakes, yes; but it is not enough to issue an apology. It is not enough to say we are sorry. We should issue an apology, but we should say we are sorry also.

But, Mr. Speaker, the handwriting is on the wall. It is time for us to get out. It is time for us to bring our young men and our young women home. It is time for us to close this very dark and sordid chapter in the history of our great Nation.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MEEHAN) is recognized for 5 minutes.

(Mr. MEEHAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. ESHOO) is recognized for 5 minutes.

(Ms. ESHOO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Florida (Mr. HASTINGS) is recognized for 5 minutes.

(Mr. HASTINGS of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MARKEY) is recognized for 5 minutes.

Mr. MARKEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MEEKS) is recognized for 5 minutes.

(Mr. MEEKS of New York addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. VAN HOLLEN) is recognized for 5 minutes.

(Mr. VAN HOLLEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

(Mr. HINCHEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Texas (Mr. GREEN) is recognized for 5 minutes.

(Mr. GREEN of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RUSH) is recognized for 5 minutes.

(Mr. RUSH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Ms. CORRINE BROWN) is recognized for 5 minutes.

(Ms. CORRINE BROWN of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

#### CONDEMNING MISTREATMENT OF IRAQI PRISONERS AND REMARKS ON CREATING A DYNAMIC 21ST CENTURY ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from California (Mr. DREIER) is recognized for 60 minutes as the designee of the majority leader.

##### CONDEMNING MISTREATMENT OF IRAQI PRISONERS

Mr. DREIER. Mr. Speaker, I have some remarks that I am going to share with our colleagues on the 21st century economy and some of the challenges that we are going to face, but I would like to preface my remarks by responding to some of the issues that have been raised by my colleague, the gentleman from Oregon (Mr. BLUMENAUER), my colleague, the gentleman from California (Ms. WATSON), and the gentleman from Georgia (Mr. LEWIS), who spoke just before me.

There is in fact righteous indignation, as the gentleman from Georgia (Mr. LEWIS) just said, over what we as a Nation have seen take place in the Abu Ghraib prison in Iraq.

We as a Nation and as a people are outraged over this treatment of prisoners. It appears to be in clear violation of the Geneva Convention, and I believe that we have a responsibility to do everything that we can as a body to clearly state the outrage that we have.

As I said in response to the remarks being made by my colleague, the gentleman from California (Ms. WATSON), Mr. Speaker, we are working at this moment on a resolution that I hope very much can enjoy bipartisan support that will allow every single Member of this House to go on record expressing what the gentleman from Georgia (Mr. LEWIS) correctly describes as righteous indignation over what we have observed.

Now, the closing remarks that were just offered by the gentleman from Georgia (Mr. LEWIS) had to do with the call for our withdrawal from Iraq; and

I would take just a moment to respond to that, Mr. Speaker, by saying that it is very apparent that some seem to have forgotten what led to where we are today.

It was September 11, 2001, when our world changed. Following September 11, President Bush immediately moved in on al Qaeda and the Taliban and Osama bin Laden in Afghanistan. We also know that the global war on terrorism extended beyond Afghanistan. We know that in Iraq, Saddam Hussein had been a supporter of terrorist activities, clearly in his region; and we know that he had utilized weapons of mass destruction against his own people.

There is a reason that we are in Iraq today, Mr. Speaker; and it has to do clearly with our quest to do what only, only the United States of America is capable to do, and that is to stand up for freedom, liberty, human rights and independence as we struggle with this global war on terror. That is why I want to congratulate President Bush for the strong, unwavering, decisive leadership that he has shown in this global war on terror.

#### CREATING A DYNAMIC 21ST CENTURY ECONOMY

Mr. DREIER. Mr. Speaker, I would like to talk about the best ways for the American people to deal with the changes that are taking place in our economy right here at home.

I have actually been talking a lot about change in recent weeks and taking a look at the profound and rapid change that has been taking place in this country over the past 20 years. I have spoken a great deal about the transformation of our economy and the fact that that change has had a tremendous impact in the high-tech area. It has created this change, a dynamic 21st century economy, an economy largely based on serving customers, business customers, Mr. Speaker, customers like you and me.

We have an economy that is based on skilled workers harnessing new technologies, finding new ways to increase efficiency, boost productivity and better serve customers. This is all taking place in a very fast-paced and very competitive environment.

New technologies and new business practices develop practically overnight. In this 21st century economy, about the only thing that remains constant is the fact that things are constantly changing. And they are changing for the better. Over the past 2 decades, in the United States of America we have created 40 million new jobs, largely in high-wage sectors. Over that 2-decade period, real wages have increased by 30 percent and productivity has more than tripled, while the size of our economy has doubled to what is a nearly \$11 trillion economy today, nearly twice the size of any other economy on the face of the Earth.

□ 2015

And, it is important to note that students here in the United States are

graduating from college in unprecedented numbers.

Now, there is no doubt about it: 2 decades of change have significantly improved the quality of life of average Americans. But there is also no denying the fact that change, even profound change for the better, does breed anxiety, and anxiety can cause people to seek stability rather than pursue greater change for the better.

This desire for stability is certainly understandable. It also has a long-standing history in our economy. While the past 20 years have witnessed a remarkable rate of change and growth, massive change has swept through our economy before. At the time of our Nation's birth, we had a largely agrarian economy. America then underwent a long transition to become the world's leading heavy industrial economy. And this shift that took place certainly did not happen overnight, the shift from an agrarian economy to a heavy industrial economy.

While there are no clear starting and stopping points, the transformation of our agrarian economy to an industrial economy took about 100 years, about a century. Through the increasingly widespread use of heavy machinery in factories, transportation modes and, of course, on the farm, we gradually witnessed what became known as the industrial revolution. Throughout this period, there was a great deal of anxiety about the changes that were taking place. Workers whose families had been farmers for generations were suddenly faced with having to find new kinds of work, new ways of supporting their families. This often meant finding a job and a line of work their fathers and grandfathers had never even heard of. A farmer in 1885 certainly never dreamed that one day his son would head off to work in Henry Ford's assembly line. He probably spent his time wondering and worrying about the existing kinds of work that would be available for his children; the existing kinds of work that would be available for his children.

Again, we can all understand this anxiety in the face of fundamental change. Predicting the future is not easy. If it were, I and I am sure all the rest of us, Mr. Speaker, would have invested in Microsoft and Wal-Mart 2 decades ago. But now, with the benefit of a century of hindsight, we can clearly see that the industrial revolution was a good thing, that transition from an agrarian economy to a heavy industrial economy was, in fact, a good thing. The middle class exploded. Our standard of living increased rapidly. Life expectancies climbed as workplaces became safer and grueling manual labor was no longer commonplace. Transportation became faster and safer. Communications also became easier and quicker. More and more Americans had access to quality education.

The benefits of this massive transformation in our economy are so appar-

ent, it seems absolutely absurd to ask the question if we are better off because of that transition from an agrarian economy to a heavy industrial economy. Who here today would go back to the lifestyle of the 1830s? Obviously, no one. The more interesting and more telling question is why did the loss of millions of agricultural jobs not bring about the collapse of the American economy? In the face of profound change, how was our economy able to change for the better?

The answer simple: our flexible and dynamic system created new and better jobs. Let me say that again, Mr. Speaker. It is a very simple response about this change from the agrarian to the heavy industrial economy. Our flexible and dynamic system, very inextricably tied to this free market process, created, yes, new and better jobs. Innovation led to new opportunities. Rather than viewing new technologies as job destroyers, hard-working Americans knew that these achievements in heavy machinery could be powerful job creators. They harnessed these new technologies and transformed our entire economy.

Because Americans had the freedom and flexibility to innovate, we did not stagnate and decline. We adapted and we grew. We call that progress.

Today, we are well into our second economic transformation from that heavy industrial economy to our 21st century, business-serving-customers economy. This time, the transformation is taking place far more quickly. Even during periods of very strong growth in job creation, the churning that takes place within our economy is rapid and very far-reaching.

For example, back in 1999, just 5 years ago, our economy was booming. It was a boom year for the U.S. economy, 1999. Growth was quite strong with a 4.5 percent GDP growth number, and unemployment was very low at 4.3 percent. Yet, Mr. Speaker, over the course of that year, we witnessed the destruction of 33 million jobs. Let me say that again. In 1999, we had 4.5 percent GDP growth. We had an unemployment rate of 4.3 percent. Yet, that year, we witnessed the destruction of 33 million American jobs. But, at the same time, 36 million new jobs were created.

Now, over that period, nearly 100,000 jobs were lost every day, but our dynamic, bold, strong, innovative, creative economy created even more jobs than those 100,000 that were lost every single day. And the result, of course, was a net increase of 3 million jobs.

Now let us look at a period of slower economic growth, just 2 years ago, in 2002. At that time, the economy was just beginning to emerge from economic recession. GDP growth chugged along at a 2.2 percent growth rate. Unemployment was right around 5.8 percent, and over the course of that year, 32 million jobs were lost, while 31.7 million new jobs were created. Now, of

course, the net effect of that was a loss, a net loss of 300,000 jobs. Remember, slow growth, emerging from recession, 2.2 percent GDP growth, an unemployment rate of 5.8 percent and, yet, we saw 32 million jobs lost, 31.7 million jobs created.

Now, this dynamism is often overlooked when we talk about our economy. In 1999, Mr. Speaker, news reports and economic commentary did not tell the story of 33 million jobs that were destroyed in this country. What we heard about was the net gain of 3 million jobs. In 2002, we did not hear about the creation of nearly 32 million jobs. What we heard about was the loss of 300,000 jobs. The net gain is, of course, the number that we are all interested in. We want to see exactly how many net jobs are created, and we all want that number to be just as big as possible. But I am highlighting the millions of jobs lost and the millions of jobs created because they are the two sides of the equation that ultimately determines net job creation.

In other words, there are two ways we could attempt to achieve job growth. We could either try to stop millions of jobs from being phased out, or we could, Mr. Speaker, focus on creating even more new jobs, many of which are obviously in new technologies, just as was the case back when that farmer never conceived of the fact that his or her son would one day work in Henry Ford's factory.

So as I say, we could either try to stop millions of jobs from being phased out, or we could focus on creating even more jobs.

I also highlight these numbers behind the numbers because they reveal something that is very interesting. In 2002, a year of relatively slow economic growth, as I said, about 2.2 percent GDP growth, fewer jobs were actually reported lost than in 1999, that year of booming job growth. Now, this is key. These numbers say we lost 33 million jobs in 1999, and only 32 million jobs in 2002. Thirty-three million jobs when we had very bold, 4.5 percent GDP growth, an unemployment rate of 4.3 percent, and 32 million jobs were lost when we saw very, very slow economic growth of 2.2 percent and an unemployment rate of 5.8 percent.

The fact that more jobs could be destroyed during the boom is hugely significant. This tells us that our job growth equation, with job losses on one side and job creation on the other side, the number we should be focusing on is the job creation number. Yet, many of my colleagues have proposed just the opposite as a public policy for us. The opposite are these proposals designed to simply prevent any jobs from being lost.

Now, there are several proposals making their way through the Congress and in State legislatures and, unfortunately, those proposals, Mr. Speaker, ignore the job creation numbers. They ignore the fact that 2002, a year of relatively slow economic

growth, actually saw fewer jobs lost, fewer job losses than 1999, that boom year. And they seek to somehow spur job growth by keeping the job loss number from growing.

Now, the presumptive democratic nominee, JOHN KERRY, has proposed raising taxes on companies that invest globally as a way to preserve jobs here at home.

CHRIS DODD, the senior Senator from Connecticut, has a proposal which was adopted by the other body in the form of an amendment to the corporate tax reform bill. That amendment was designed to prevent globally-engaged companies from competing for Federal contracts, and we have this discussed in State legislatures for States.

My colleague, the gentlewoman from California (Ms. WATERS) has the same proposal here: preventing globally-engaged companies from competing for Federal contracts.

The Senate minority leader, TOM DASCHLE, has his Jobs For Americans Act, which is cosponsored by Senator KENNEDY. This legislation would impose new restrictions and regulations on any company, large or small, that invests in growing overseas markets. Each one of these proposals, intended to increase the number of jobs for Americans, attempts to control the job loss side of the jobs growth equation. But would they be effective? Can we boost job growth by trying to simply focus our attention on preserving existing jobs?

Well, again, the numbers from the past several years demonstrate that we cannot. But rather than attempting to make an educated guess based on the data we have, I have a better idea, Mr. Speaker. We should use empirical evidence. I think what we should do is draw our wisdom from the example put forth by our friends in Europe; specifically, the French. The people of France thought up job preservation proposals long before they ever occurred to any of the economic isolationists we deal with here in both Houses of Congress.

France, along with a number of other European Union countries, has been imposing these very kinds of restrictions for years. We do not have to predict if jobs will be created if we prohibit U.S. companies from freely competing on a worldwide basis. We can simply look at the French model and ask ourselves, is job growth strong? Is the capital creation that leads to job growth thriving? Do we want our economy to look like the French economy?

Well, the answer is a resounding no. We know that the French have twice the unemployment and half the job growth, the GDP growth that we enjoy in the United States. Like the proposal that our colleague, Senator DASCHLE has in his Jobs For Americans Act, France imposes strict requirements on all businesses that intend to lay off workers. These restrictions have been in place for many years. For instance, a French employer must notify any worker of an impending layoff, in writing,

□ 2030

The notification period varies from case to case, but the minimum is 6 weeks. And in some cases, employers must give their workers up to 9 months before laying them off. This notification is followed up by a hearing in which both the employer and employee can state their cases.

In the event that the employer does lay off a worker, he is required to provide a substantial severance package. In an effort to stem the exodus of businesses from their high tax, high regulations system, France began imposing, actually this is inconceivable, an exit tax. They began this back in 1998, an exit tax. The European Union recently struck down this provision, but for 6 years the French have used this highly burdensome tax on businesses to prevent them from moving to countries with less restrictive government regulations.

So with all of these "job security" measures in place, that are intended, very well intended, they are intended to prevent companies from laying off workers and moving offshore, you have to ask the question, are the French workers better off today? Has government regulation been able to save any jobs? Is new business creation, which would create new jobs, booming in France? The answer is an obvious no.

Since 1999 the unemployment rate in France has been stuck right at about 10 percent. While it dipped as low as 9.1 percent in the end of 2002, it is now back up to 9.5 percent. And it continues to rise at a time when the overall unemployment rate for OECD countries is falling. This decrease, I might add, is being led by falling employment right here in the United States of America.

Furthermore, France's economy overall is fairing quite poorly. Last year the GDP growth rate in France was 1.8 percent; and estimates for this year are at 1.7 percent. Its finance ministry recently announced that it is hopeful that the economy could grow by as much as 2.5 percent next year. But even they admitted that this relatively slow rate of growth will be very difficult to achieve.

I think it is important to note that this stagnation is not a recent or temporary situation in France. The French are not simply going through a few difficult years as all countries do from time to time and as ours clearly has. Average annual growth and GDP throughout all of the 1990s in France was 1.9 percent. Just over half the average GDP growth rate of 3.4 percent that we have had here in the United States, but maybe France is just an anomaly, Mr. Speaker.

France, their restrictive job security laws would have a different effect in a different economy. So let us look at another case. Germany. Germany has many labor regulations that are similar to France's. And like their neighbor to the west, these laws have been in place for many years. The Protection

Against Dismissal Act, which could have been the model for Senator DASCHLE's Jobs for Americans Act, was adopted a half century ago just after World War II. This statute requires every employer to justify the laying off of any employee taken into account, taking into account social justice factors.

Now, these factors include things like whether the employee is a single mother or elderly or disabled. Employers must give workers notice of layoffs between 1 and 7 months in advance, depending on how long a worker has been with a company. Employees can challenge any layoff in court and obtain preliminary injunction allowing them to remain on the job until their cases are decided. Preliminary injunctions can keep people on a job while their case is being decided, whether or not it is a good business decision for that operation.

These are very stringent requirements imposed on German companies, no doubt in an effort, well-intentioned, the effort, of course, to protect German workers. But are these workers better off, Mr. Speaker? Since the late 1990s, unemployment in Germany has hovered above the 8 percent level and has steadily climbed over the past year. In 2003, it inched up from 9 percent to 9.2 percent and continues to climb.

At the same time the GDP growth rate in Germany has, as has been the case in France, been a paltry 1.7 percent for the last 2 years.

Mr. Speaker, economic forecasters have recently downgraded their growth predictions for Germany from 1.8 percent to 1.6 percent, even lower than that anticipated in France. Just like France, economic stagnation has been a part of the German way of life for many years. Throughout the 1990s, economic growth averaged just 1.5 percent, an abysmal one-third of the economic growth rate that we have seen on average here in the United States economy. The long term numbers clearly do not stack up well against the United States. But let us compare the short-term numbers, Mr. Speaker.

French and German unemployment is at 9.5 and 9.2 percent, respectively, and those numbers are increasing. In the U.S., unemployment is at 5.7 percent. That is roughly half the levels of unemployment for both France and Germany. The same goes for economic growth. While the French and German economies have been inching along at less than 2 percent, GDP growth, the U.S. economy has been racing forward at a 4.1 percent annual growth rate, more than twice the growth rate of both France and Germany. And in the third quarter of 2003, the U.S. economy grew at a staggering 8.2 percent, our fastest growth rate in 20 years.

But perhaps the most telling numbers of all are what I will call innovation indicators. In terms of new patents, research and development, venture capital, the U.S. far outpaces France, Germany and the entire Euro-

pean Union. For example, the United States leads the world with 185,000 new patents granted every single year. This is almost four times the amount for the entire European Union.

In 2002, France granted fewer than 4,000 patents and Germany only granted 11,000 patents. In other words, U.S. innovators are producing 50 times the work of their French counterparts and 17 times the work of their German counterparts. A look at research and development shows a similar picture.

Last year, the United States spent almost \$300 billion on research and development. That is nearly a third of a trillion dollars on research and development, including both public and private sources. This year we will spend \$320 billion, an increase that stems in large part from the President's commitment to increase Federal research and development funding. In fact, the President's proposed R&D budget of \$132 billion marks a 42 percent increase since he took office.

France, by contrast, spends only \$30 billion a year, a tenth of what the United States spends. Germany devotes \$37 billion a year to R&D which is less than one-sixth of the U.S. total. Once again, the United States of America is the global leader while France and Germany trail far behind.

Another important innovation indicator is venture capital. Business and individual investors provided over \$21 billion in venture capital in 2002 right here in the United States. That compares with less than \$2 billion in France and about a billion dollars in Germany. In both cases, a tiny fraction of the venture capital investment that we have here in the United States. In fact, the amount of venture capital raised each year in all of western Europe barely equals a third of the amount raised here in the United States.

Mr. Speaker, each one of these innovation indicators which demonstrate the vitality and dynamism of an economy together with factors like unemployment and growth and gross domestic product, clearly shows that our economy is creating far more and far better opportunities for workers than any place else. It seems that the "job security restrictions" might not be quite the boon to workers that their proponents would have us believe. Europe's failed attempts to artificially retain existing jobs have guaranteed economic stagnation, not future prosperity for their workers.

The French and German models demonstrate that job growth cannot be achieved simply by trying to prevent any jobs from being phased out. Instead, we need to focus on the other side of that jobs equation that I have discussed earlier. The job creation side.

In light of our economic history, this should come as absolutely no surprise whatsoever. Our Nation's economic strength has always been based on the ability of industry, workers, and consumers to innovate, adapt and create

new and better opportunities. As we saw with the shift from an agrarian economy to an industrial economy, success did not stem from our ability to prevent the loss of agricultural jobs. Our success was a result of our ability to harness new technologies and create entirely new fields of work. And we transformed our economy into a global leader in the process.

Today it is just as critical as ever that we reject the path of stagnation and choose the path of progress instead. The path that encourages companies to innovate, raise productivity, compete abroad, and create the new kind of jobs that reflect our uniquely American ability to adapt to the changes of the future. This is the American model for job growth.

But if this has been our formula for success and global economic leadership for nearly 200 years, why are our current job growth numbers not as strong as we would like? After all, our economy has been out of recession for over 2 years. In fact, growth is clipping along at a brisk 4.1 percent. The stock market is performing well, real wages are growing, consumer confidence and spending remain high, and home ownership is at record levels. All indicators point to 2004 looking a lot more like the boom of 1999 than the relatively slow growth that we saw in 2002.

Yet, while the job growth numbers have recently grown much stronger, the overall job creation picture still looks a little weaker than expected. Now, Mr. Speaker, I believe that there are three reasons why the job creation numbers have not yet matched the exuberance of the rest of the economy. First, we quite simply are not counting all of the new jobs. Our jobs statistics, the number of new jobs that comes out on the first Friday of every month are derived from the payroll survey known as the Establishment Survey. The data are collected by asking a sampling of businesses how many people they employ and if they are adding or reducing jobs.

The problem is that the payroll survey only looks at the established businesses. That is why they call it the Establishment Survey. There is no means for counting the self-employed, the independent contractors, the enough business start-ups. These entrepreneurs are completely left out by our job creation number. But we do know that they are out there. And we know that the number is growing.

Significant anecdotal evidence from established businesses shows that companies are increasingly relying on more fluid business models. Independent contracting gives both businesses and skilled workers greater flexibility in coordinating projects and meeting their individual needs. While the payroll survey misses these types of workers, they do get counted in the household survey. The Department of Labor's household survey goes directly to individuals and asks them if they have a job and what kind of work they are doing.

Now, Mr. Speaker, because the household survey looks at the entire workforce and the payroll survey only looks at a certain kind of employment, it is no surprise at all that the household survey shows a net gain of over 1.5 million jobs since the end of the recession in November of 2001. Over the same period, the payroll survey shows a net loss of about 350,000 jobs. While even the payroll survey has not recently begun indicating robust job growth, 308,000 new jobs in the month of March and 204,000 new jobs in the previous 2 months, the two surveys still show a discrepancy of almost two million jobs since the end of the recession.

□ 2045

Furthermore, trends in job creation indicate that the payroll survey is increasingly inadequate for counting new jobs. The household survey shows that one-third of all new job creation is in self-employment. This means that the fastest-growing part of our workforce is missed entirely by the payroll or establishment survey. If we are going to have an accurate picture on job creation, we need jobs statistics that account for the kinds of jobs our 21st century economy is creating.

The second reason I believe job creation has not yet reached expectation is that our economy is in the process of creating entirely new types of jobs in entirely new types of fields.

In recent decades, job losses and gains have primarily been the product of the business cycle. Employers would be forced to lay off workers during tough economic times and would rehire them during the recovery. Because the job opportunities before and after a recovery looked very similar, reemployment happened very quickly.

Today, we still go through cyclical change, but we are also experiencing a great deal of structural change. As I discussed earlier, we are in the midst of a major economic transformation. In our 21st century economy, a new job is often new in every sense of the word, new work in a new field demanding completely new skills.

Rather than simply going back to their old jobs, workers are increasingly finding work in cutting-edge fields and learning very, very different skills. Part of our focus in the 21st century economy should be helping to match workers with employers so that reemployment can take place so that we can see reemployment take place just as quickly as possible. We need to help match workers with employers, workers who were laid off so that we can help them.

The third factor, Mr. Speaker, that I believe is affecting net job creation in this country, and the perception that we are experiencing a jobless recovery is the fact that there are very real barriers to job creation that still exist here in America. These include the rising cost of providing health care for workers, frivolous lawsuits, the cost of complying with ever-growing govern-

ment regulations, and a Byzantine corporate Tax Code.

In fact, the National Association of Manufacturers estimates that these factors raise the cost of doing business in the United States by almost 25 percent, that is, these factors, the things that exist, the frivolous lawsuits, the regulations, the tax burden and the cost of health care, they have increased the cost of doing business by almost a quarter. That can be devastating to any company, particularly small- and medium-sized businesses, and it can significantly impede the ability of entrepreneurs to turn their innovations into new jobs for Americans.

These three factors, inadequate job statistics, the structural changes that are taking place in our economy and the barriers to job creation, are all impacting our jobs numbers; and each presents an opportunity for us, Mr. Speaker, as policy-makers.

Improving our data analysis, helping to match workers with new jobs and training for new skills, seeking reforms that will lower the cost of doing business in the United States from tort reform to health savings accounts, these are a number of initiatives that the Congress of the United States can pursue to boost job creation in this country. The most important part is that we keep our focus on the job creation side of the equation.

It is true that, as in an earlier era of buggy whip makers and blacksmiths, some jobs are disappearing forever; but I reject the belief that we have reached the end of American innovation. Call centers in India are simply not a harbinger of stagnation and decline. To say that they are is defeatism in its most basic form.

Admittedly, I cannot stand here and tell my colleagues exactly what the jobs of tomorrow will be, just as a defeatist in 1850 could not have foreseen jobs in film production or software engineering. What I can tell my colleagues, Mr. Speaker, is that Americans have a long history of adapting and growing and being innovative and creative. If we allow workers to continue down that road towards innovation, we will continue to create lots of new opportunities for Americans.

Mr. Speaker, Senator KERRY and many on the other side of the aisle want us to pursue the French and German models; and we know from that experience that what we have seen from the French and the Germans does, in fact, create stagnation and stifling regulation and jeopardizes the ability for Americans to be innovative and creative.

Mr. Speaker, I will take the American way, with confidence in the American worker and the American employer for the future.

#### VISIT TO THE CAPITOL OF HAITI'S SO-CALLED PRIME MINISTER

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the

House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, I would like to take this opportunity to place on the record what happened here today with the visit by Mr. Gerard Latortue, who is the illegally appointed Prime Minister of Haiti. Somebody invited him to come here to the House of Representatives; and two meetings were set up, one at 10:30 where members of the Congressional Black Caucus were invited to meet with him, and a later one at 1:30 where members of the Committee on International Relations were invited to meet with him.

Those meetings were not attended in any appreciable numbers by either the members of the Congressional Black Caucus at the 10:30 meeting or the members of the Committee on International Relations. Of the 39 members of the Congressional Black Caucus, I am told that perhaps maybe six people showed up; and for the Committee on International Relations, where there are 49 Members, 26 Republicans and 23 Democrats, only about six members of that committee showed up.

I think it is important to note that this took place. It is important for the world community to know and understand that just as CARICOM, that is, the nations of the Caribbean, rejected Latortue, and do not accept him as a legitimate representative of that government, the Congressional Black Caucus does not accept him and recognize him as a legitimate Prime Minister for Haiti; and it was indicated today by the lack of attendance.

It is important for me to say this because Latortue is trying to make the world community believe that he is gaining the support of the Congressional Black Caucus. That absolutely is not true. We consider that he was illegally appointed. It is in violation of the Haiti Constitution, and he is presiding over crisis and chaos in Haiti.

Haiti is worse off than it has ever been. Not only do we have killings that are going on every night; we have members of the Lavalas Party, the party of President Aristide, in hiding. They are being killed. Their lives are being threatened; but worse than that, this so-called Prime Minister, Mr. Gerard Latortue, embraced the known killers who have occupied the northern part of Haiti and recently appeared on a platform with Mr. Guy Philippe, Mr. Louis Jodel Chamblain, Mr. Jean Tatoun, all of whom are known to be criminals. Mr. Guy Philippe is a known drug trafficker. Mr. Chamblain and Mr. Tatoun have been convicted in absentia for their role in the massacre of thousands of Haitians at Raboteau in 1994.

They were all in exile. They were all recruited to come back into Haiti and join with the so-called opposition, and they played a role in the coup d'etat. They threatened to kill President Aristide, and they are still running around Haiti, armed, trying to reestablish an army, recruiting Haitians,



burning down police stations and killing members of Lavalas. This so-called Prime Minister called them in a public meeting freedom fighters. It is so outrageous, it is so ridiculous, and that is one of the reasons he is not being accepted. He is not being respected, and he is not considered as a serious person with any leadership ability or any vision for Haiti's future.

So, let the record indicate that he came to the Capitol; that he was not received by any appreciable number of people; that he did not get his message across. We have said to the State Department and to Secretary Colin Powell that it is important, it is imperative that they arrest and incarcerate the thugs and the criminals who are in control of Haiti. There is no way that they can ask us to recognize this puppet and this puppet government and to recognize this illegally appointed so-called Prime Minister until at least they take those steps.

#### THE ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes as the designee of the minority leader.

Mr. BROWN of Ohio. Mr. Speaker, I appreciate the words of my friend from California (Ms. WATERS) and her passion about what has happened in Haiti and how our government has not been exactly on the right side of that. Equally important, I want to say something about my friend from California (Mr. DREIER) and his comments.

To try to make it sound like the Democrats and Senator KERRY want the French and the German model, while he wants the red, white, blue American model is just a bit much. We are all proud of the economic growth. We are all proud of the freedoms of our country. We are all proud of our strong environmental laws, our worker safety laws, our laws to protect the public and the dynamic economy we have. No one is arguing, nobody I know, JOHN KERRY, anybody else is arguing we want the French economy or we want to be Germany.

What we are arguing is that we can do better with this economy than George Bush has done. We look back at the 1990s during Bill Clinton's 8 years and saw 25 million jobs created. We look at George Bush's 3½ years and see 3 million jobs lost, and we see a President who, during his term, will be the first since Herbert Hoover that has expressed, that has experienced a net loss of jobs.

I look at my State when I hear the gentleman from California (Mr. DREIER) speaking about this incredible economy. Then I look at my State, and we hope we had an economy like he was talking about. I do not think very many places in this country, if any places, do have that kind of economy, the picture he painted; but we know

what we need to do to make the economy better.

Instead, President Bush has used the same old tired bromides, tax cuts for the wealthiest people in the society. If you make a million dollars in a year under the Bush plan, you get a \$20,000 tax cut. The Republicans hope this tax cut will trickle down and create jobs. It clearly has not worked. We lost 3 million jobs in the last 3½ years.

The second part of his economic plan over and over is let us do more NAFTAs, let us do more trade agreements that continue to ship jobs overseas, that outsource, that hemorrhage jobs to China and Mexico. That clearly is not working, but I understand my friend from California. I understand his viewpoint.

Members of Congress do not feel the anxiety that my constituents feel. In my State, we have lost 177,000 manufacturing jobs. One out of six manufacturing jobs in my State has simply disappeared during George Bush's Presidency. Yet George Bush's answer continues to be more tax cuts for the most privileged and continues to be trade agreements that do not work and continues to be this ideological mission to give tax cuts and say that automatically tax cuts to the wealthy automatically create jobs. It simply has not worked.

What we need to do is extend unemployment benefits to the 1 million Americans, fifty-some thousand Ohioans, whose benefits have expired since January. We need to, instead of rewarding those companies that go offshore and change their corporate headquarters to Bermuda so they can avoid taxes and have continued to get various kinds of Federal contracts, on-bid contracts in the case of Halliburton, and all of that, we need to pass legislation that will actually give tax breaks to those companies that stay in the United States and manufacture here.

□ 2100

Several manufacturing companies from my State came to see me today. They cannot believe we continue to give tax breaks to these big, multinational corporations who ship jobs overseas, who outsource to India, and we do not give any kind of tax incentives to American manufacturers. I just wanted to say that in response to my friend from California.

Mr. Speaker, I yield to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, I know we are going to talk about prescription drugs tonight, but I just want to say that I heard the gentleman from California also, and he kept referencing France and Germany and how their economies were not doing well and the U.S. was doing so well. I do not know how he can make those comparisons because I do not think the United States is doing well at all.

I saw an analysis yesterday in terms of what was happening to the United States in terms of job losses as opposed

to Canada, and it showed dramatically that even though the Canadian economy is very dependent on the U.S. economy, the Canadian economy actually increased the number of jobs over the 4 years at the same time that jobs were being lost here under President Bush's Presidency. It said the reason was because in Canada, although they gave tax cuts, the tax cuts all went to the middle class and working people, and those people basically got that money and reinvested it and created more jobs, and it also talked about how productivity in Canada and the United States increased at about the same amount over the last 4 years, but in the United States the profits from the increased productivity went to corporate profit whereas in Canada, the increase in productivity was passed on to workers in higher wages and they invested it and created more jobs.

The gentleman from California was comparing other countries, and he did not mention Canada. The reality is if we look at the Canadian experience in the last 4 years, it is the Republican policies in the United States, huge tax cuts to the rich, taking the money from increased productivity and giving it back in corporate profits and not giving it to workers, this has resulted in a huge difference between our two countries. We lose the jobs, and in Canada they increase the number of jobs.

It is the President's policies which have caused these job losses. It is not something that is inevitable, it is something that he has caused with his Republican majority.

Mr. BROWN of Ohio. Mr. Speaker, tonight I am joined by the gentleman from New Jersey (Mr. PALLONE), the gentleman from Maine (Mr. ALLEN), the gentlewoman from Ohio (Mrs. JONES), the gentleman from Ohio (Mr. STRICKLAND), and the gentleman from Washington (Mr. INSLEE) and I want to talk about Medicare and the discount card program that has been unveiled this week.

Enrollment began for the prescription drug discount card through the Medicare bill passed last year. For some seniors in Ohio, this can mean \$600 in prescription drug benefits. On the surface that sounds good, and we want seniors to look into these cards. If they can get any help, that is a good thing.

However, the real story about the discount cards is found in the details. The discount drug cards will further complicate an already confusing process for America's seniors. Instead of implementing a prescription drug benefit under one program, Medicare, the simplest, cleanest and the deepest discount available and possible, which 40 million of America's seniors know and trust, the administration fought on behalf of the insurance and the drug companies, who really wrote this bill, the administration fought to create an unnecessarily complex system that diverts money away from benefits and gives it to drug companies, insurance

companies, and to these discount card companies that we will talk about in a moment.

The big drug companies under this original \$400 billion bill, the big drug companies will profit an additional \$150 billion from this bill, and insurance companies will get \$46 billion. The insurance companies get a direct subsidy, a direct payment of my tax dollars and your tax dollars directly into their pockets for this bill.

No wonder, considering the drug companies, we hear on the streets of Washington, the drug companies are going to give \$100 million to President Bush's reelection. They have already given tens of millions. No wonder the President wrote this bill so these companies benefited.

The drug card portion of the bill was in part crafted by friends of the President, such as David Halbert, CEO of Advanced PCS, one of the discount card companies, a man who set President Bush up in business before he was President and before he was governor, around the time he ran unsuccessfully for Congress. Mr. Halbert set President Bush up in business and helped President Bush make his first million in an unsuccessful oil company.

It is no surprise then that this system features 70 cards by 70 different private companies. It is a lot like the multiple HMO system that my Republican friends are trying to foist on Medicare beneficiaries. The gentleman from Maine (Mr. ALLEN) has said on the House floor that seniors want a choice of doctors and hospitals and prescription drugs, they do not want a choice of insurance agents or fancy brochures or insurance companies. Unfortunately, what this discount card does is give seniors a choice of a whole bunch of discount cards, and it is almost impossible to figure out which one is the best.

A senior in Akron in my district will have to research through 50 cards to find one that works. Under our plan, they could have used one card. Under the Republican plan, they are going to have to go through 50 cards. They are going to have 50 cards that they need to sort through. Let me see, I am taking Fosamax. This card covers Fosamax, this card covers Vioxx, but this card covers Zoloft, but this card covers Celebrex.

Why do they make this more confusing instead of allowing seniors one card, one discount, one plan. Instead, the Republicans have 50 cards, 50 plans, 50 insurance companies, 50 mailings coming to their house, 50 insurance agents knocking on their doors representing 50 different insurance companies. The answer is why would they choose this over this? The answer is pretty obvious. It just might, and correct me if I am wrong, I ask my friends from Washington and Ohio and Maine and New Jersey, it might have something to do with the insurance industry, the drug industry, and Mr. Halbert, CEO of Advanced PCS, that

makes these cards, it might have something to do with the fact that they gave lots of money to President Bush's reelection.

We have all read in the paper that President Bush has set all kinds of fund-raising records. One week it is 150, then he flies Air Force One out to Cleveland or Portland or New Jersey or Washington State, does a little bit of government business so he can charge it off to the government, and then he does another fund-raiser and raises another \$3 million. It just keeps going up, setting records every week. No wonder he can raise \$200 million when he does things like this instead of doing it right.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. Once a senior goes through all these cards and finally reaches a decision, and that is going to be difficult to do, once they reach a decision and select a particular card, they are stuck with that card for an entire year. Yet the sponsors of that card every 7 days can either increase or reduce, but they are most likely to increase the costs of the drugs that are a part of that card. And every 7 days, the sponsor of the card can change the medicine covered by that card.

Mr. BROWN of Ohio. So I look through these cards. I am a senior and I decide Fosamax is here, and they also do Claritin and Zoloft, so I want this card. I pay \$30 and sign up for the whole year. And then Mr. Halbert's company, if it is his card, he can change it, but I have to stay with this card, is that how it works?

Mr. STRICKLAND. You can start out by getting a discount of 10 percent, and in 7 days that discount can be reduced down to 5 percent. I ask the gentleman from New Jersey (Mr. PALLONE) to clarify this, but, for example, I am a senior citizen and I have high cholesterol, and I take Lipitor to control my level of cholesterol. I sign up for a card that has Lipitor as one of the medicines that is available under that card, and I am stuck with that card for an entire year, but 2 weeks after I sign up for that particular card, the card's sponsor decides they are not going to provide Lipitor any longer for high cholesterol, they may decide to provide Pravachol or some other drug, and I am left without the ability to get the drug with a discount that my doctor says I need.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time, I choose a card and I get a decent discount, even though the price goes up 20 or 30 percent per year. So you are the card maker, you can both cut the discount and you can take my drug off the discount card list totally?

Mr. STRICKLAND. Every 7 days, I am able to make those kinds of changes in the level of discount and in the drugs that are actually covered by that discount card, and yet the senior will be stuck with that particular card for an entire year. So I am locked into

one card for an entire year, and the sponsor of that card has the ability to make all of these changes and I am the victim. I am helpless to do anything about it.

Mr. PALLONE. Mr. Speaker, everything the gentleman said is absolutely true. I saw the gentleman from Ohio (Mr. BROWN) show the variation cards, and I think he has to make it clear, they are not getting all those cards. They are just going to choose one.

Mr. BROWN of Ohio. One card for \$30.

Mr. PALLONE. Also, I do not know how the senior citizens will be able to make a decision which card to use. They have a Web site and you can go on that Website, and they will give you the different cards and tell you what is covered and what the cost is going to be today, but a lot of seniors are not just taking one drug, too. So they are supposed to look through all these different cards and decide which is the best based on the particular cost for the particular medicine or several medicines at a given time, but there is no guarantee of anything. There is no guarantee that discount is going to be there the next day because it can be changed. My understanding is they have to provide some type of drug like Lipitor, but they do not need to provide Lipitor.

Mr. STRICKLAND. They have to provide one drug in every class of medications; but there are many medications that are prescribed for high cholesterol. I can tell Members that I took one drug for high cholesterol for over a year, and it did not control my cholesterol. It was not until my physician changed my prescription that I was actually to find control for my cholesterol level. That is an example of the problems that seniors are likely to face.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Last year when my mother was very ill, she had to get five prescriptions on her health care plan. I went to the pharmacist to pick up these various drugs. Three were within the plan. One cost \$10, another \$10 and another \$11; but two were not within the formulary and so one cost \$263 for 30 days and the other cost \$250. Seniors can choose what prescription drug they will cover. So, for example, my mother had congestive heart failure and kidney failure, and her doctor prescribed some of the newest drugs treating those types of conditions, but those drugs were not covered by the formulary; therefore, they were paying significant dollars, and I anticipate that will be the same problem for seniors.

Mr. PALLONE. Mr. Speaker, they are only comparing cards on this Web site and the fact of the matter is if we look at any one of these drugs, and I am going to use Lipitor. This is from the National Committee to Preserve Social Security and Medicare, what they did is they not only posted the prices for

drug cards, but also what you can get at some drug companies like cvs.com or drugstore.com or costco.com or what the price might be in a Canadian drugstore.

Lipitor, for example, the cheapest is actually at drugstore.com. It may very well be there is a card that is not even on the list that will give a better discount, or you can get it online through one of the other companies or drugstores that is offered online; and certainly in almost every case, the price is less in Canada.

So the whole notion of trying to give seniors a choice is just based on the notion that somehow these cards sponsored by the government are going to give them a good choice. Reality is they are not. The same drug is cheaper elsewhere on the Internet.

Mr. STRICKLAND. I believe this is an election year scam, and America's senior citizens are going to be so confused. They are not going to know what choices to make, and we are doing it because an election is coming up in November and we want to present to our senior citizens that we are actually doing something meaningful when the drug companies are telling us that they expect their drugs to be increased by about 18 percent this year and these discount cards are likely to provide much less in discounts than that.

□ 2115

So seniors are going to end up paying more even with these discount cards than they have been paying.

Mr. BROWN of Ohio. Mr. Speaker, it is hard to say that it is a good deal when the drug companies raised the price 20 percent and President Bush has a discount card that might be 12 or 13 percent, and then it happens again and again.

Mr. Speaker, I yield to the gentleman from Maine (Mr. ALLEN), who has done so much in this whole issue.

Mr. ALLEN. Mr. Speaker, several people are saying how much seniors are going to have to pay for these drugs. The trouble is, one part of the problem is, it is their tax money that is being used to promote the program. We have just seen the Federal Government spend tens of millions of dollars to promote the underlying prescription drug benefit that will not take effect until January of 2006. Now there is an \$18 million taxpayer-funded campaign hitting the airwaves to promote these new Medicare cards.

So the public has to pay for the TV advertising, to persuade them of something that is not true, that is, that these cards will actually help them.

There was an article in the Portland paper today quoting one woman, 70-year-old Jean Houston of Waterville, Maine, who said she has already tried calling the Federal Government's toll-free number to enroll. She has not gotten through yet. "I tried to sign up," she said. "I called five times yesterday and three times today." How long will it take Jean Houston just to get through?

Now, CMS says, well, they have got a Web site. They can just go to the Web site. Most seniors do not have computers that are linked to the Internet. That is just a fact. And the idea that they are going to sit down and try to choose among 50 different cards with all sorts of different drugs when the pharmaceutical companies can change the drugs that are on the cards any given week, week after week after week, this is just absolutely nonsense. But there is an explanation. My staff tells me that CMS has now admitted that if we get seniors to work through this absolute maze, this absolute nightmare of 50 different prescription drug cards, it will help prepare them.

It will get seniors used to working with private plans, private insurance plans. Instead of the Medicare plan, which has the same benefit and the same additional premium for everyone in the country no matter where they live, we are going to have lots and lots of private insurance plans. The systems that are failing the small business community today are going to be inflicted on seniors in Medicare, and it is not right.

Mr. BROWN of Ohio. Mr. Speaker, it is almost like NAFTA. People lose their jobs. We are retraining them. We are retraining seniors so they can negotiate private health plans.

Think about what the gentleman from Maine (Mr. ALLEN) said now. We had a choice. We could do what President Bush wanted to do on behalf of his friends that own the drug companies and the insurance companies. We could have 50 cards to choose from and seniors can go through and try to choose the best one and pay \$30 and the cardholder changes the way it works and changes the discount, changes what drugs are available. We can look at 50 cards and choose and get about a 10 or 15 percent discount, or we could use one card and we could tell the government to negotiate price, tell the government to negotiate on behalf of 39 million Medicare beneficiaries a better price the way Canada does. Canada's prices are 30, 40, 50, 60, 70 percent lower than the United States because the Canadian government on behalf of the whole country, 29 million people, negotiates drug prices.

Why could we not use a card like this, give this to every senior, and then negotiate prices on behalf of every senior in this country, 39, 40 million beneficiaries? They go to a drug store and they show this card and they automatically get that 30, 40, 50, 60, 70 percent discount. Instead, because President Bush receives so much money from the drug and insurance industry, he has given us 50 cards for seniors to choose one of the 50, and then maybe, if they are lucky, get a consistent 10 or 15 percent discount. So we have one card that could do 50, 60, 70 percent discount or a choice of 50 that might do a 10, 15, 20 percent discount.

I yield to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I thank the gentleman for yielding to me.

And the shame of it all is here we have seniors who are in the twilight of their life. The last thing they want to do is to be surfing the Internet or looking through booklets trying to figure out where to buy their drug, what discount they want, how will they choose. It is really just ridiculous. It is a shame that we would put the burden on the backs of seniors to require them to negotiate through this process. Even with this proposal that will allow lower-income seniors a \$600 benefit, they are probably going to spend so much time trying to manipulate or make it through the process that they are not going to be payable able to benefit from this at all.

It is almost like the lottery. One gets a lottery ticket and they scratch off on it. Does this work? No, that does not work. Let me go to the next scratch off, and I am going to scratch off again. And it is almost similar to how much benefit we in Ohio got from the lottery in terms of education right now, and here we are imposing upon the seniors across this country the responsibility to figure out not only what plan to go to, but how do they figure out the benefit, and then in 2006 they are going to have to go back and figure out what plan to take and what plan will benefit them or not benefit them.

It is a shame that we are not standing up for seniors and saying, seniors, just like Medicare used to go to work, they can go to the doctor, get their Medicare. They can go to the pharmacist, get their prescription, and they can move on without all this hassle. And I agree with the gentleman from Ohio (Mr. BROWN) that we ought to make sure seniors understand the dilemma they have been placed in by this legislation.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentlewoman from Ohio (Mrs. JONES).

It is just incredible that the Congress has passed something to put more confusion in seniors' lives, to make the choices more difficult, more complicated. One of 50 cards that gives a small discount instead of using the buying power of 40 million Medicare beneficiaries to get one good discount that every senior can put in his wallet or in her purse and get a good 30, 40, 50 percent discount like the Canadians and the French and the Germans and the Japanese and the Israelis and the Swedes and everybody else.

Mrs. JONES of Ohio. Even in Cuba, Mr. Speaker.

Mr. BROWN of Ohio. Everywhere, Mr. Speaker. And I cannot think of any other reason. It is all because President Bush has received literally millions of dollars in campaign contributions from the drug industry, from the insurance industry, and from Mr. Halbert, the CEO of AdvancePCS and his company and other companies that make these prescription drug cards.

I yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I would just like to follow up by what the gentleman is saying because this may seem to many people in this country to be a very odd result. Why on earth would the Republicans in Congress and the President put pass this kind of complicated plan? Well, remember what they said when they passed it. They said that in the long run, this would help save money, this would be cost efficient. We would have competition between plans and that would drive down costs.

Not exactly. Right now, right now, the private plans are being paid 107 percent of the cost to Medicare. That clunky old government-run fee-for-service Medicare program that the Republicans wanted it to get rid of. The private plans are being paid 100 percent more than it cost Medicare to deal with the average Medicare beneficiary. We will pay those private insurance plans \$46 billion more than it costs the government-run fee-for-service Medicare plan. In other words, we are paying private insurance companies more than it costs to deliver Medicare to Medicare beneficiaries today and for what reason? Why on earth? Well, the insurance industry knows it is money in their pocket. Not millions of dollars, not hundreds of millions of dollars, but billions of dollars. The pharmaceutical industry knows as well.

Mr. BROWN of Ohio. Mr. Speaker, think about this. We are giving the insurance industry \$46 billion just direct, reach in taxpayers' pockets, put \$46 billion from taxpayers' pockets into insurance companies' coffers. I mean, there is no doubt about that, \$46 billion. That is actually \$1,100 for every single senior in this country. There are 40 million Medicare beneficiaries. That is more than \$1,000 for every senior in this country. So instead of giving \$1,000 to seniors to buy a drug benefit, which is a lot of money and most seniors have drug costs not much more than that, and many have a lot more, but \$1,000 goes a long way for anybody, instead of giving \$1,000 to every senior, we are giving the insurance industry \$46 billion, \$46 billion that could go to all kinds of things. But how much money did they give President Bush and the gentleman from Texas (Mr. DELAY) and the Republican leadership?

Mrs. JONES of Ohio. Mr. Speaker, will the gentleman yield on just that point?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mrs. JONES of Ohio. Mr. Speaker, I will be short. Not only are we giving them this money up front. When the seniors finally do get a prescription drug benefit in 2006, we are going to be forcing the seniors to pay the premium every month into the plan and they will get no coverage when their drug costs are between \$2,000 and \$5,000, that doughnut hole we have been talking about. So these plans will get money

while the seniors get no benefit on top of the billions of dollars we have already paid.

Mr. BROWN of Ohio. Mr. Speaker, it is hard to think when this bill was written by my friends on the other side of the aisle, if my colleagues remember, during the debate on that, they started the debate at midnight. The vote was cast at 3 in the morning, not finished until 6 in the morning, so they could twist enough arms and do enough drug company contributions to get it through, it is hard to think that seniors were ever in the calculation. It was about the drug industry and the insurance industry.

Mr. STRICKLAND. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Ohio.

Mr. STRICKLAND. Mr. Speaker, I noticed that we have got some people in the balcony tonight, and many of our constituents obviously are watching through C-SPAN. I think it is appropriate that we just take a moment and explain.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman will refrain from noticing guests in the gallery.

Mr. STRICKLAND. Mr. Speaker, I am very glad that there are those watching us tonight and are paying attention to what we are saying because we have lots of constituents. I have lots of constituents back in Ohio certainly that are watching, and I am sure there are constituents watching from Maine and New Jersey and elsewhere. And I think they need to know how this bill came into being. We received this bill as a body, over 700 pages, I believe, on a Friday morning. We began that debate. We debated Friday afternoon and through the night and at three o'clock in the morning when most of the people who are watching us tonight were probably asleep.

They finally called the vote. I would remind my colleagues that this is probably the most important piece of domestic legislation that this body has considered maybe in many years, and we recall that the President told us it was going to cost \$400 billion. Now we find out that his own administration's actuary had indicated it was going to cost over \$550 billion, and apparently he was told he would be fired if he told the Congress, those of us who are supposed to be representing the people of this country. He was told he would be fired if he told us the actual cost, an action that the CRS, the Congressional Research Service, is now saying was probably an illegal act.

But anyway, at three o'clock in the morning they called the vote here in the people's House. And at the end of that 15-minute voting period, the bill had lost because it is a bad bill. And they kept the vote open, not for 15 minutes, not for 30 minutes, not for an hour, not for 2 hours, but for 3 hours. And the press said that they got the President out of bed at four o'clock in

the morning so that he could start twisting arms. And then the gentleman from Michigan (Mr. SMITH), who is retiring and whose son is running in a Republican primary, indicates that he was approached on the floor of this House, the people's House, and offered \$100,000 for his son's campaign if he would change his vote. Think of that. Think of that. And at 6 o'clock in the morning as the sun was coming up, they finally convinced enough Members to change their votes, and the bill passed.

That is not how an important piece of public policy should be crafted in a democracy. And we walked home that morning, as the gentleman recalls, as the sun was coming up after that kind of shameful behavior had taken place in this Chamber. And now they are spending \$18 million on TV ads to try to convince America's senior citizens that it is a good thing. Shame on this administration for this kind of political shenanigans.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding to me.

I want to follow along with what the gentleman from Ohio (Mr. STRICKLAND) has been talking about because just this Monday, the Congressional Research Service issued an important report, and in that report they concluded a couple of things. First of all, they were looking at this issue that was raised by Richard Foster, the Medicare actuary who has testified that he was threatened by his boss, Tom Scully, the head of CMS, that if Foster went to Congress and told them the truth about his projections for what the Medicare bill would cost, which was \$150 billion more than what administration was saying, if he went to Congress and told them that, he would be fired.

Let us look at this report. This report was just made public on Monday. One point here it says "Congress's right to receive truthful information from Federal agencies to assist in its legislative functions is clear and unassailable."

□ 2130

They go back to say that according to the report, attorneys at CRS said these gag orders have been expressly prohibited by Federal law since 1912.

Let me read you one of applicable laws. It is at 5 U.S.C. Section 7211. "The right of employees individually or collectively to petition Congress or a Member of Congress or to furnish information to either House of Congress or to a committee or Member thereof may not be interfered with or denied."

But the truth is that the head of CMS, appointed by this President, refused to allow his employee, the Medicare actuary, to tell Congress the truth. So on the night of that vote, Republicans and Democrats believed that the only applicable projection was that this law would cost \$400 billion over 10

years, when Medicare program officials themselves knew it would be \$550 billion.

We have talked about this before, all this money going to the insurance industry, \$46 billion more than it cost the government-run program. No wonder it is not cost-efficient. No wonder it breaks the bank. No wonder that it delivers a very small benefit, given the amount of money being spent on it.

This report makes it clear: The law was violated when the Congress was not told what the cost of this bill would be, what the projections of the Medicare actuary would be, and that in itself makes it clear, it never would have passed this Chamber if we had been told the truth.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time, imagine if everybody in this Chamber had known, Democrats over here, Republicans, if all of us had known that this bill would send 46 billion taxpayer dollars directly to insurance company coffers. If people in this hall had known that, Members of Congress had known that that would mean \$1,100 for every Medicare beneficiary would just be a gift to the insurance industry, no matter how much money the drug companies gave to Republican leaders, no matter how many calls George Bush had made to Republican Members, no matter how many arms they twisted, no matter how many drug company lobbyists had descended like vultures into this institution, no matter all of that, if we had known, if they had not broken the law and been honest with us, if we had known 46 billion in taxpayer dollars were going directly from taxpayer pockets to insurance companies, there was no way this bill would have passed. There is just no way. No matter how many lobbyists, how much campaign money, how many calls from the President, this bill simply would not have passed.

I yield to my friend, the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, I want to dovetail on this, to reference why this is so spectacularly ironic. About an hour ago one of our Republican colleagues was railing about the only problem with the Federal Government is waste, fraud and abuse, that that is the only problem, and just if the Democrats would stop all this waste, fraud and abuse we would have no problems.

I thought that was interesting, because this entire government is run by the Republican Party, a Republican President, a Republican Senate and a Republican House, yet he pointed out all this waste, fraud and abuse in the Federal Government. I wanted to stand up and say, who is in charge of the waste, fraud and abuse? Obviously it is the Republican Party, because that is who is running this government right now.

But here is this gentleman wailing about waste, fraud and abuse, when his party foisted down the throats of Congress and the American people this sit-

uation where they are giving \$46 billion of taxpayer money to the insurance industry, which is totally unnecessary, because we could have given exactly the same benefits through Medicare.

Now, I challenge any Republican, any Republican or any Democrat, or any Green Party or socialist or independent, to show me a larger portion of waste, fraud and abuse than the \$46 billion of taxpayer money going to the insurance industry, that does not deliver one penny of additional prescription drug benefit to seniors than Medicare could have done, had we not been involved in the shenanigan, not to pay off, but to pay benefits to people who are very, very powerful political forces in this town.

This I would nominate for the largest piece of waste, fraud and abuse, foisted on this country by the Republican Party, and it is an abomination. When you think about the generation having this done to them, think about who the victims of this fraud are, it is the men and women who we will be celebrating on Memorial Day down when we dedicate the World War II memorial. My dad is coming in. He was a World War II veteran.

This is the greatest generation. They prevailed in World War II, and how do we treat them? We foist this abomination, that can only pass this Chamber through fraud itself, a situation where my colleagues have talked about the 3-hour delay.

It reminds me of when we beat the Russians in 1964 in the Olympics in the basketball game. The only way the Russians won was to put time back on the clock. This was a Russian-style democracy, when they put 3 hours back on the clock. But during that 3 hours, what happened? There was a Republican Congressman who reported that he was offered a \$100,000 bribe, in essence, to his son's campaign, if he would switch his vote. Does the greatest generation deserve that type of contempt for democracy in this Chamber, which has sullied the name of Congress and Medicare?

I have to tell you one thing. I will tell you, my Republican colleagues, this dog is not hunting with our constituents. I had meeting with 200 senior citizens in Edmonds, Washington, many of whom are stalwart Republicans, two weeks ago. I asked for their hands. This is a nonpartisan senior citizens group, just a bunch of folks concerned about this.

We talked about this bill in some detail, and I asked how many people believe this bill was substantially beneficial in their lives and that it deserved passage by Congress? Not one single hand was raised of those senior citizens, who were an eclectic group of conservatives and not-so-conservatives and Democrats and Republicans.

It is not playing, it is not being accepted, and because it is not accepted, people understand this, and people need to know why their taxpayer money is being wasted in another great incident

of waste, fraud and abuse on this \$18 million plan to try to sell this to the American people. Why is that waste, fraud and abuse taking place?

Well, there is a reason for it, and the reason about it is that this administration understands that the seniors have figured out it is an Edsel, and the seniors know about the Edsel. Maybe some of our younger constituents do not, but it is a turkey.

The seniors know it is an Edsel, and that is why these guys are spending millions of dollars of taxpayer money to try to dig themselves out of this horrible hole they have dug us into. It is an abomination.

I have to tell you, I am glad we all are here talking about it tonight.

Mr. BROWN of Ohio. Mr. Speaker, I thank my friend for his compassionate commitment.

I yield to my friend, the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I am glad the gentleman mentioned this \$18 million payday. I do not have it in front of us to show, but I wanted to read one of the ads that began airing this week.

It shows a line of older people at a pharmacy. Most have Medicare-approved cards that emit a blue light. The announcer says, "Good news for those with Medicare. You can get savings on prescriptions."

At the end, there is a disappointed looking man that steps to the pharmacy counter without a Medicare-approved card, and the announcer says, "Because you either have the power to save, or you do not."

Essentially, the whole emphasis here is that you are going to save money. As my colleague from Washington said, it is essentially a lie. I guess we cannot use the word "lie" here. It is just a total misrepresentation of the truth.

In some ways, I do not want to say I am glad, because it is such a tragedy and it is almost immoral, as the gentleman pointed out, but in some ways I am almost glad we have this experience with the discount drug cards for the next 6 months or 2 years before the year 2006 when the so-called Medicare prescription drug benefit gets into place, because I strongly believe that when the seniors see what this discounts card is and what a fraud and sham it is, they are going to want to repeal this whole bill, and maybe we'll have the opportunity over the next 6 months or a year to show what a sham this discount card is and actually get the votes to repeal this lousy bill that is not helping anybody.

One of the things that I did not mention, and I think we should, we mentioned the fact there is no guaranteed discount from the card sponsors. We said that. Then we said there is no guaranteed discount on particular medicines. Then we also said there is no guarantee that the discount offered by a particular card will be the lowest price available for a particular individual, because they might be able to

get another card or go on the Internet and find a lower price.

But what we did not mention is there is no guaranteed access to any particular pharmacy, and that the final price paid for prescriptions will vary from pharmacy to pharmacy. So even if you get the card and you think you are going to get the savings, which you do not necessarily get, because they can change it from day to day, or you do not necessarily get the drug you think you are getting because they can change the drug, you may not be able to go to your local pharmacy or any particular pharmacy nearby, because that pharmacy may decide they are not going to honor the card.

Then, in addition to that, the way I understand it, is they can charge a different price, because they can decide at the pharmacy whether they are going to make a little more profit or not on the particular drug they sell.

We have also have had some the companies, this web site has only been on, I do not know how long, I guess a few days or maybe a few weeks, but already some of the companies are writing back, and I had one of them, saying that the information that is being given on the web site about their card is not accurate.

I just have never seen so much misinformation, untruth. I do not know how to describe it.

Mr. BROWN of Ohio. When it could have been so simple. When it could have simply been one discount card where the government negotiated price, using 40 million beneficiaries as the negotiating pool, could have gotten one much lower price. Instead of that, because the drug and insurance companies wanted it, the President made it very, very confusing.

Mr. PALLONE. Essentially it is a lie, because it is not the truth, because they are saying that the main goal here is to save money. There is no reason to believe that.

But I just go back to what my colleague from Maine said. The purpose of all this is to get people used to privatization, and not used to a government program like Medicare. And I am beginning to believe, maybe I am too optimistic, that when people see how lousy the private sector is, if this is an example of it, they are not going to want it and they are going to reject it. That is the only positive thing I can see coming out of this.

Mr. BROWN of Ohio. I yield to my colleague, the gentlewoman next door in Ohio (Mrs. JONES).

Mrs. JONES of Ohio. First of all, I want to commend my colleague the gentleman from Ohio (Mr. BROWN) for his leadership on this issue. He has been right on top of all of this as long as I have been in Congress, and this is my sixth year in Congress, and I am just so proud to be a part of the delegation in which he is one of our more senior Members. That is no offense to you, talking about "senior."

But to the gentleman from Ohio (Mr. BROWN) and to the gentleman from

Washington (Mr. INSLEE) and to the gentleman from Ohio (Mr. STRICKLAND) and to the gentleman from Maine (Mr. ALLEN), this story is almost like the story our mothers used to read to us when we were growing up, The Emperor Has No Clothes.

Remember this person came to the emperor's palace and said, "Okay, emperor, I want to make you this finest robe out of this wool. The wool is so fine, you will not be able to see it. I am going to go to the barn and I am going to string it and so forth and so on and I am going to come back with this gorgeous robe."

The emperor kept saying, "I cannot see it, I cannot see it."

He kept saying, "But it is there. It is there. I am going to put it on you, and you are going to walk down the street of your community, and everybody is going to go, oh, what a beautiful robe you have on, emperor."

Come to find out, the emperor walked down the street with no clothes on, naked, just with his underwear on. And that is what this bill is like. It is naked. It is saying to seniors, I am going to give you this great bill, you are going to get all these benefits. But it is like the bill has no clothes. It is a piece of paper with no benefit for senior citizens. It is a card that gives them nothing. It is a premium that they are given for a period of time, and they get nothing.

The fact is, it is a misrepresentation, and it is just like that emperor walking down the street without any clothes.

I just want to thank all my colleagues for their leadership on this issue.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentlewoman from Ohio.

I yield to the gentleman from Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. Mr. Speaker, I want to thank also my friend the gentleman from Ohio (Mr. BROWN) for leading this discussion tonight.

I really believe what we are dealing with here is an administration that truly does not believe in Medicare, and this effort is not going over well with our senior citizens.

As my friend the gentleman from Washington (Mr. INSLEE) said, the experience that he had with his seniors, I have had the same experience with the seniors in my district. When I sit down with them and I explain this bill, I explain how it came into being, the shenanigans that occurred right here in the people's chamber, the benefits that are so difficult to understand, the benefits that are really going not to the senior citizen, but to the insurance companies and to the pharmaceutical companies, they are outraged.

They say to me, "What can I do to respond? Who can I talk to? How can I express the anger that I feel?" And that is what is happening across this country, and the administration is starting to feel the heat, and that is why they are taking I think \$18 million

of public tax dollars and putting these ads on TV, trying to convince our seniors that they are doing something good for them.

Well, America's seniors are a pretty wise bunch. They have lived through a lot. Many of them have lived through the Depression. They have lived through the wars. These are not children in their understanding. They have watched government. They know those who are for them and those who are against them.

□ 2145

And America's senior citizens are angry tonight, because they desperately need help with the cost of their medications. There are seniors in this country I believe losing their lives because they are unable to afford the medicines that they so desperately need. They know that this bill that was passed here in the Chamber under these terrible circumstances specifically prohibits the reimportation of cheaper drugs from Canada. They know that the Secretary of Health and Human Services is specifically prohibited from negotiating discounts for our senior citizens, although the Veterans Administration negotiates discounts as a savings of, I think, about 40 percent. They know that this bill was written by and for the pharmaceutical industry, and they are angry.

And I think they are going to express themselves come November, because they are sick and tired of being used as political pawns, of being given false and exaggerated information; and I think they are going to stand up and say, we have had enough. We built this country. We fought the wars. We built our schools and our hospitals. We have made the sacrifice to make America what it is today, and we are sick and tired of being treated like second-class citizens. I think America's seniors are going to be expressing themselves loudly and clearly, and the best way they can do that is to do it with their vote. That is the one way they can fight back.

Mrs. JONES of Ohio. Mr. Speaker, if the gentleman will yield just for a moment, can we imagine if the seniors in Ohio had been able to ask these same questions of President Bush when he was parading through Ohio. Can we imagine if they had been able to say, President Bush, what am I getting from this prescription drug benefit? I mean, the day that the card was issued, here he was parading around Ohio, but he was not talking about the non-prescription benefit. He was talking about the jobs that we did not get in Ohio as well.

So those seniors could have said, President Bush, President Bush, I need a prescription drug benefit. Can you help me?

Mr. BROWN of Ohio. Mr. Speaker, I want to thank all of my colleagues together tonight: the gentleman from Ohio (Mr. STRICKLAND), the gentleman from Washington (Mr. INSLEE), the gentlewoman from Ohio (Mrs. JONES), the

gentleman from New Jersey (Mr. PALLONE), and the gentleman from Maine (Mr. Alan).

I want to close with an interesting point that the gentleman from Ohio (Mr. STRICKLAND) raised. He said it just seems that Republicans do not much like the Medicare program. On the surface, that does not sound like it makes sense, because I have a whole lot of Republican constituents who love Medicare. They know it has saved their lives and let them live longer, let them live healthier lives; but there is something about Republican politicians and their relationship with Medicare.

Back in 1965, 12 Republicans, 12 Republicans total voted for Medicare, to create Medicare. Bob Dole voted against it, Gerald Ford voted against it, Strom Thurmond voted against it, Donald Rumsfeld voted against it. Then, 30 years later, the first time the Republicans had control of this House and the majority, they tried to cut \$270 billion, with a B, billion from Medicare. That failed because President Clinton got out his veto pen and said, Do not even try.

Then, in 2002, or in 1999, Congressman Arme, the second top Republican in Congress, said, in a free society, we would not have Medicare; we would not want something like Medicare. Whatever that meant. Then, in 2002, another Southern Republican Congressman in the leadership, the gentleman from Georgia (Mr. LINDER), said that Medicare is a Soviet-style program, whatever that meant.

The fact is that a lot of us in this institution, every single Democrat and some of the Republicans, care deeply about Medicare and want to preserve it, and that is why we fought against the privatization of Medicare that President Bush tried to foist upon us. That is why instead of these 50 cards, we want to see one discount card where seniors get a good benefit under Medicare, get a 30 or 40 or 50 or 60 percent discount like our neighbors to the north, the Canadians have, and like our neighbors across the ocean in Europe have. Instead, what we got was a bill written by the drug discount card companies, written by the insurance companies, written by the drug companies, all of whom are major contributors to the President of the United States.

Mr. Speaker, it was a sad day last December when this bill passed. It was a sad day when President Bush signed this bill. We all have work to do.

#### AMERICA'S WAR HISTORY

The SPEAKER pro tempore (Mr. COLE). Under the Speaker's announced policy of January 7, 2003, the gentleman from California (Mr. ROHRABACHER) is recognized for 60 minutes.

Mr. ROHRABACHER. Mr. Speaker, just a few thoughts about the controversy concerning the abuse of prisoners by American contractors and military personnel, if accurate. Some of these charges, of course, must be ac-

curate. No American should deny the truth, nor ignore this unacceptable and illegal behavior. In fact, the source of information and photos documenting wrongdoing appears to have come from an investigation, an investigation that was set forth and set in motion by the Pentagon itself. The Pentagon launched an investigation in order to end any abuse of prisoners that may have been taking place. Americans can be proud that we have standards that will not tolerate such abuse, and the Pentagon moved to correct it before it was publicly known.

We Americans should not flagellate ourselves because of a tiny number of American personnel who humiliated or abused prisoners. Certainly, the vast, vast majority, if not 99.99 percent, of our troops in Iraq and Afghanistan have conducted themselves in a courageous and honorable way. But such abuses and such mishaps and wrongdoing have occurred in every war. From the American Revolution on, we have seen soldiers who perhaps lose a friend and are struck by grief and lash out with revenge, killing a person or killing a prisoner or mistreating a prisoner or, we find, in some cases, a person with sadistic tendencies ends up overseeing the prisoners that have been taken. This happens in every war and conflict. Yes, things like this may have happened in this war as well.

The question, however, is what is to be done? Our government has declared such treatment of prisoners as wrong and illegal. We have thus maintained an honorable standard that we can be proud of.

Many of those criticizing us now or jumping to criticize us have no such standard. They murder their own people. Saddam Hussein, for example, butchered hundreds of thousands of his own countrymen. We found the mass graves, and in those mass graves were thousands and thousands of children.

Now, the world, the Arab world in particular, criticizes us over and over again, finding everything that they could possibly criticize us about, for trying to remove this sadist Saddam Hussein from power. Most of those Arab countries who criticize us or Arab organizations that criticize us, well, let us take a look at the criticism. Yes, it is wrong to abuse prisoners, and to the extent that they were, we were wrong. But we are actually trying to correct the problem. But those people, most of those people or many of those people who are criticizing us do not come anywhere close to a humanitarian standard of their own. They should not be pointing fingers at us or at our troops. This is sort of like the drunk down the street who has been arrested for drunk driving and had his license taken away pointing his finger at a neighbor because the neighbor is drinking a beer on the front porch.

Well, this hypocrisy comes from nitpickers, naysayers, and America-bashers. It is a bit too much. We are correcting a bad situation. We are ad-

mitting our failures, and we are correcting it. But we recognize that any noble cause, any war that has a noble cause is messy, just like all wars are messy and brutal undertakings. And for Americans, war is usually thrust upon us.

Tonight, I rise to discuss the war on terrorism, a war that was thrust upon us. This great challenge to our generation is the challenge we must face. History records that the people of the United States rose up and courageously defeated the forces of evil that threatened this planet during the last century. First we defeated the combined might of the German Nazi and Imperial Japanese war machines. Without the strength, courage, and sacrifice of the American people, this would have been a far different world dominated by the likes of Tojo and Hitler. And, yes, in that war there were some abuses and some mistakes by American military personnel, but does that mean that our cause of eliminating Hitler and Tojo was wrong? Certainly not. And we moved to correct those abuses, just as we have moved in this case when we have found some people who were misbehaving and doing some immoral things.

After World War II, Americans believed they had earned a better and a more peaceful life, only to realize that another evilism, communism, would destroy democracy unless America acted. The Cold War was upon us. Had it not been for the tenacity of the American people, for our love of liberty and, yes, our willingness to bear the burden of a sometimes ungrateful world, a Marxist-Leninist dictatorship would undoubtedly be dominating this planet.

Do our Muslim friends really believe that it would have been better for us not to have won the Cold War? Do they believe that the Marxist-Leninist regimes like they had in Yemen would have been better throughout the Muslim world? Certainly the rest of the world understands that communism was an evil force, and we can be proud of ourselves that we helped defeat that force, and it would not have happened without America.

I am proud to have served in the White House during a pivotal time in that Cold War. For 7 years I was a speech writer and special assistant to President Ronald Reagan. It is clear now that it was the tough policies put in place by President Reagan that brought the collapse of the Soviet Union and brought the collapse of Soviet communism and an end to the Cold War, but it was not easy. It was not a historic inevitability, as we are being told now; and it would not have happened on its own.

So please do not tell me also of the bipartisan spirit that enabled President Reagan to rebuild our defenses, that enabled President Reagan to support those fighting Communist domination, that bipartisan spirit that enabled President Reagan to vigorously



expose the immoral underpinnings of Communist power. No, do not tell me that. I can testify to the Herculean effort that was needed to end the Cold War and that I never saw the bipartisanship the Democrats now remember so vividly.

What I remember is that every time we took a stand, as when we opposed a freeze on nuclear weapons production, that freeze which would have permitted the Soviet Union to dominate Western Europe, and as when we supported those resisting the Communist Sandinista regime in Nicaragua, the liberal wing of the Democratic Party, amplified by their friends in the media, blasted Reagan and blasted those of us on his team as warmongers, as if America and as if we were responsible for the conflict between East and West, and we were, of course, portrayed as the bad guys, even though we were promoting democracy.

The dictatorial concepts that are special to Leninism were just shrugged off. By the way, the Sandinistas, who the American left heralded as the representatives of the Nicaraguan people, have lost every free election that has been held in that country since President Reagan insisted that free elections be part of any peace plan there.

Ironically, one fight in the Cold War that did have bipartisan support was in Afghanistan. There we supported the Mujahidin, local insurgents who fought courageously for 10 years against a Soviet occupation army with all of its artillery, tanks, helicopter gun ships, and a willingness to do anything to destroy its enemies. Here was the greatest victory of the Cold War, which broke the will of the Communist Party bosses in Moscow.

However, the Afghan people paid an enormous price for this victory: millions dead or wounded, families, villages, and a way of life destroyed; people living in abject poverty, with a million babies dying of dehydration and other easily curable conditions and diseases.

The retreat of Soviet troops from the Afghan war marked the end of the Cold War. It was not the German people, let us note, who brought down the Berlin Wall; it was the bravery and sacrifice of the Afghans. And while we celebrated and prospered, the Afghans continued to suffer. Not only now are we helping remove the millions of landmines planted throughout their country, many of which we supplied ourselves to the Afghans; and these landmines, which we are only now helping to remove, kill and maim young Afghan children even to this day.

The roots of our current terrorist challenge lie not in our support, not in our support for the Afghan people and their fight against the Soviet occupation, but in our unconscionable decision in 1990 to walk away and leave them in their rubble and suffer their misery.

□ 2200

Walking away was a policy decision. It was wrong. It was dead wrong. Presi-

dent George Bush, father of our current President, has to accept the lion's share of the blame for this cowardly, arrogant and selfish policy.

There would be no Marshall Plan for Afghanistan or anything else from the United States because when we left, we left everything up to the Saudis and the Pakistanis. Unfortunately, the Saudis and Pakistanis had their own agenda.

This was an unholy alliance doing the bidding of radical anti-western Muslims in their own countries, meaning Saudi Arabia and Pakistan. And while the majority of the Muslims even in a Saudi Arabia and Pakistan are wonderful people, there are large numbers of others who believe they have a right to commit horrendous acts of violence in the name of Allah, or as we would say, in the name of God.

Instead of trying to defeat, control or subdue these elements, the leadership of Saudi Arabia and Pakistan has tried to buy them off, compromise with them and as is evident now, the leaders of Pakistan and Saudi Arabia, many of these leaders, sympathized and allied themselves with Muslim extremists who would make war on the west and were intent on destroying our way of life, the American way of life.

I first became aware of these vile forces within the Muslim world while I was still at the Reagan White House. One of the worst of these blood soaked monsters was Gulbuddin Hekmatyar, a fanatic who in college was known to have thrown acid into the face of women who refused to cover themselves. It is shameful that a disproportionate share of what America sent to Afghanistan to fight the Soviets went to this beast. Even when objections were registered, and I can assure you that strenuous objections and complaints were made, the CIA and the State Department continued to the policy of channeling our aid through Pakistani intelligence, the ISI, who then passed on much of it to their first choice, to their golden boy, Gulbuddin Hekmatyar.

So we knew crazies were out there and we knew the Saudis and the Pakistanis supported them. Yet, we walked away and left them in charge.

Later, I learned, after I left the White House, that the problem was even worse than I suspected. After I left the White House, I left the White House in 1988 to run for Congress and I won that election in early November of 1988. And while other Members of Congress took vacations during their 2-month break between the time they were elected and sworn in, I instead went to Afghanistan. I went to Afghanistan and joined for about a week an Afghan military unit, an infantry unit that marched into the battle, and it was the last major battle with Soviet troops in the war of Afghanistan, the Battle of Jalalabad. As I was hiking into that battle with this Mujahedin unit, we hiked where we could see a group of tents in the distance.

Now, I was dressed as an Afghan and I was dressed as a Mujahedin soldier. I had a beard, et cetera. We could see these tents. They were luxurious tents. It was more like a modern day camping expedition by some rich people with SUVs than a Mujahedin camp, that was for sure.

But I was told immediately that that was the camp of the Saudis and that I should keep my mouth shut and that no English would be spoken until we were far away from that camp because they said there was a crazy man in that camp who hated Americans, worse than he hated the Soviets, even though we Americans were there helping to defeat the Soviet Army.

They said that man's name is bin Laden, and if he finds out we have an American with us, he would come to kill us just as he would kill the Soviet soldiers. So it was no surprise and it should have been no surprise that there was a real potential threat there in Afghanistan, waiting in the wings to take hold of that country. But instead of rebuilding Afghanistan, Pakistan and Saudi Arabia turned it into a mid evil kingdom run by psychotic, religious fanatics.

Now, in hindsight we know the horrific role the Saudis and Pakistanis have played in formulating anti-western Islamic terrorism, and we should also note that many of them today have committed themselves, many of the leaders of those two countries have committed themselves in an opposite course. They are trying to correct what was done wrong 10 years ago which helped create this problem. And we hope that they are sincere when they joined us in our effort in our war against terrorism and the war of the west against this terrorist threat. But, let us note that when this was happening and the Soviet and the Saudi leadership and the Pakistanis were actually helping the terrorist element or the anti-western element within the Muslims in Afghanistan, that part of the world, we should have seen it coming.

But just as the Saudis and Pakistani leaders subsidized and even assisted in this type of insanity, our government stepped aside and permitted the Saudis and Pakistanis to have their way.

So the Saudi and Pakistani leadership either helped or stood aside as these radical Muslims who hate the west and would make war on us began to take control, and then we stepped aside and let the Saudis and Pakistanis have the decision and make the decision. Yes, and we even helped the Saudis and the Pakistanis make that decision.

What was U.S. policy? We need to look at what the U.S. policy was in the 1990s that brought about this situation that we are in today. One of the things that I find most disturbing about the current hearing into the tragedy of 9-11 is that it downplays the importance of American policy in the laying of the foundation of 9-11. They would rather

talk, meaning those people who are conducting this investigation, would rather talk about flow charts and organizational structure and a lack of a shared data base and no central coordination than trying to fix responsibility.

We keep hearing that setting the blame, they call it the blame game, wrong is wrong. It is a bad thing to do. Well, I am sorry, 9-11 represented not an unavoidable tragedy but a dramatic failure of policy and of people. Those who put the policy in place should be held accountable. The individual leaders in our intelligence, the national security system who failed to thwart 9-11 because of their own incompetence and bureaucratic arrogance should be held accountable.

Tonight I will provide a number of examples of policies that led to the empowerment of the hostile radical Islamic movement that we face today and to the policies and to the people who enabled these weird, feudalistic religious fanatics to become a major threat to the western world and especially a threat to the people of the United States.

September 11 was the greatest massacre of American civilians in the history of our country. Yes, we are in the process of hunting down the perpetrators of this monstrous crime and destroying their terrorist network. And I strongly believe our President is resolved to do what is necessary to get the job done and secure our country and our world in the future. He and our military are doing a superb job under the most difficult and dangerous of circumstances and they are being nit picked and naysayed to death every time a mistake is made. People are trying to undermine the general effort and the noble cause in which our troops are fighting.

President Bush has a long-term strategy. That is why we are in an Iraq, for example. We are trying to build a democratic society. Our success will not just be measured in the removal of this vicious and powerful dictator, Saddam Hussein, who hated us, who would have this man had an all-encompassing grudge against us that would have only been satisfied when he inflicted the death and destruction upon our people and the future whenever he had a chance to do so; but getting rid of him was not the only thing we accomplished.

We not only did that but we freed the Iraqi people from their oppressor and we have also provided an opportunity to build in Iraq that will serve as a model for the rest of the Muslim world. We are providing Muslim people, especially the young people, an alternative a choice not to destroy western civilization, but to be part of it and to open the door of a new Renaissance of relations when Christians, Jews and others can live in the same world and benefit from each other. Even though we are distinct from each other, we can interact and trade and we can be friends.

That is the better world President Bush is trying to build. But it must start in Iraq. And if we lose in Iraq, the evil forces that would separate the west from the east and would have us fighting among various religious factions, they will then dominate this planet and we will not be able to stop them except at much greater expense of blood.

It is a strong vision that President Bush has. It is a noble vision; and it is the vision of a world living at peace where Muslims, Christians, Jews live together and this vision is stronger than what the radicals are advocating. They were trying to basically obliterate the faith and the culture of others. And our President is trying to make sure that the world is safe for us to live together in peace and harmony, no matter what our faith is. And we must succeed in Iraq. And I am here to today to applaud the President, and there has never been an action that has been perfect, but he is doing a tremendous job, as have our troops. As we support that, if we have succeeded, we must hold those in our government, however, when we will hold them and we will make sure that they get the praise for a successful policy when and if we succeed, which I believe we will in Iraq.

But we must also, when we have a failure of policies, recognize what that policy was, what made us vulnerable to the attack on 9-11, for example, and we must hold those people accountable who failed to protect us and failed to put the policy that would best serve the United States and the western world. This is not the blame game that I am talking about. It is holding people accountable for decisions that they have made while in public service and while they have held authority from the people. So when I speak of bad policy, what am I talking about? What is this bad policy that led to 9-11?

Well, chaos and blood shed in Afghanistan, as I said, continued long after the Soviet Army left and America walked away. During this time in the early 1990s, I felt a personal debt to the Afghan people. I had been there when we were fighting the Soviets. I knew the sacrifices they made, so I felt that we owed them something, and I tried to do my best to find a solution but no one was listening. But it was not hard to find a solution. It was not hard for me to come up with an idea, with a plan that would have helped the Afghan people. But implementing that idea and finding that and making sure that solutions became policy was another matter.

So what was the solution? It did not take a genius to determine the best way to restore order and a stable government to Afghanistan was to bring back the honest and beloved former king, Zaire Shah, who had been living in Rome, Italy since his exile began in 1973. He was an elderly man, but he still had a good mind and an impressive stature. He was one person all factions of Afghanistan knew would not seek

vengeance upon him if he was returned to power.

After visiting him in Rome and being beaten by him in a chess game, I took it upon myself to promote the exiled monarch as the logical choice to bring normalcy back to Afghanistan. So it is not like there was not an alternative to the policies that were put in place. It was the logical choice. Yes, it was the logical choice except for the opposition of Pakistan and Saudi Arabia. The Pakistanis knew they could not control Zaire Shah.

Zaire Shah had ruled over that country for 40 years. He was independent and a fair and honest man. When he was in a charge of Afghanistan, they lived a relative peace for 40 years. But the Pakistanis were intent on dominating Afghanistan as many of them still are and they ruled out bringing back King Zaire Shah. The Saudi wanted to placate their own radicals. That is why they did not like Zaire Shah, the old exiled king. They wanted to placate the Wahabis who are their radical sector in Saudi Arabia. So they too, the Saudis, nixed the return of the king.

But most disturbing to me is as I sojournd throughout that region on my own, sometimes at great personal risk, promoting the Zaire Shah alternative, U.S. State Department officials would follow me explaining that I was speaking for myself and that I was a lone junior Member of Congress not to be taken seriously.

These arrogant and amoral policy-makers of our State Department could have given Afghanistan a chance for a leader who was decent and caring and peace loving, who loved his people and were loved by them.

□ 2215

Instead, they chose to play politics; and they chose the Taliban, make no mistake about it.

It is only when I spoke to the head of the Saudi Arabia's CIA, Prince Turki, that I was tipped off that another plan was in the works. Prince Turki was fired immediately after 9/11. Just keep that in mind, but until 9/11, he was the man who I could say was most responsible for Saudi policy in that region.

He explained to me personally that instead of the former king coming back, that they were creating a third force, and it was being created specifically to go into Afghanistan, and it would be comprised of religious students who had spent most of the war in the Islamic schools in Pakistan. These Taliban, which means student by the way, using their religious credentials, would dominate Afghanistan; and he assured me that they would not be involved in anything outside of Afghanistan.

These Taliban, by the way, with certain exceptions as I say, were not veterans of the war against the Soviets. They were not Mujahedin. A lot of people make that mistake. The Mujahedin fought the Soviets. The Taliban came

in well after the Soviets left; and in fact, when we felt, after we were attacked, we needed to drive the Taliban out, it was the remnants of the Mujahedin who joined with us and also drove the Taliban out of Afghanistan.

For a long time, I blamed the Saudis and the Pakistanis for creating a force of religious fanatics and putting them in power. It is clear now, however, that it was not just the Pakistanis and the Saudis. Prince Turki, in Washington, when he tipped me off about the creation of Taliban, certainly he was there at the beginning and certainly the Pakistanis were there at the beginning, but other people were there as well.

Last year, I found out about this. Last year, the current former minister of Pakistan visited Southern California; and when he was exasperated by my criticism of Pakistan, that they had created the Taliban, he was upset and he blurted out that Americans were in the room and part of the bargain that created the Taliban as well. There were three parties in that room. Well, that revelation was no surprise to me. I had been trying to get a confirmation of that for years.

During the latter years of the Clinton administration, I charged that the administration policy was secretly supporting the Taliban. After making that charge at a public hearing, I was labeled as "delusional" by a senior Democratic colleague. When I insisted, with the support of Ben Gilman, who was then chairman of the Committee on International Relations, that the State Department provide the documents that would clarify America's real position, we were stonewalled, even though Secretary of State Madeleine Albright personally pledged to comply with this request. Here we are; that is our job to oversee American foreign policy. We requested the documents on the creation of the Taliban. The State Department thumbed its nose at us, gave us documents that were meaningless, that had a bunch of newspaper clippings, et cetera.

Let us be clear and understandable on this point. I am charging that during the Clinton administration it was U.S. policy to create the Taliban, and once in power, the United States Government supported these Islamic fanatics. It was the policy of our government under Bill Clinton. This policy was fully supported and probably created by our State Department, and if one wants to accept the responsibilities for the policies that eventually led to 9/11, start right here, and those in the State Department, those who oppose the return of King Zaire Shah and undercut anyone who is resisting the Taliban, they have the blood of innocent Americans on their hands, those Americans who were slaughtered on 9/11.

Let us accept that rejecting King Zaire Shah, and that option was dead wrong, but let us accept also it was understandable perhaps that our foreign

policy establishment felt that way. They longed for stability, and they could not imagine stability without having the Saudis and the Pakistanis having their way, even though it is America that is supposed to be providing the leadership and not the other way around.

After the fighting stopped and the Taliban were in control, and this is after the third force was then unleashed, the Soviets had been gone for several years, this third force was unleashed. The Taliban swept across two-thirds of Afghanistan, and they took the capital city of Kabul.

Well, I have been trying to fight that for many, many months and many years; and I took a stand back, and just like everybody else, I wished the people of Afghanistan the best and I laid down a marker to the Taliban. I remember giving an interview where basically I said I would have a wait and see, and we expected them not to do things outside of their own country, and we expected them not to be a totalitarian force but a religious force. Of course, I tried to stop them from getting in power in the first place. There was nothing I could do at that point but hope for the best.

After about a month, it became obvious that I had been right all along and that this new force, the Taliban, were Islamic Nazis; and as such, if they were not stopped, they would hurt our friends or they would even hurt us.

So even after coming to power, our State Department, get into this, even after coming to power, our State Department closed its eyes to the increasing evidence of the nature of the Taliban; and they kept supporting the Taliban anyway. For several years, I was a lone voice, helped by Chairman Ben Gilman, then chairman of the Committee on International Relations, warning of the potential consequences of leaving such a fanatical, religious sect in power.

I even went to Afghanistan during this time and met with leaders resisting the Taliban, men like General Dostum, Commander Masood, Abdul Haq, and Ismail Khan. Masood, of course, is the most impressive of the lot, but of course, none of them are pure. Everybody makes mistakes; everybody has made bad judgments; everybody has done things wrong after they have been fighting for as long as these people have been fighting. They all made a certain number of terrible decisions; but unlike the Taliban, they were not totalitarian psychos who believed that God was talking to them and justifying the wholesale slaughter and control of other peoples.

Unfortunately, all of them and the rest of the Afghan people, when I say all of them I mean the leaders who were opposed to the Taliban, and the rest of the Afghan people, believed America was supporting the Taliban. So let us make this straight. Even after the Taliban took power, when it was no longer theoretical, it appeared

to everyone, and I suggest that it was the case, America was still supporting the Taliban.

Why should these people not, these Afghans, think that? Was not our aid going to the Taliban-controlled areas? I myself had been thwarted by the State Department under leadership of Clinton appointee Rick Enderfurth in getting humanitarian aid to parts of Afghanistan not under Taliban control. So it is okay for the aid to go to Taliban areas, American aid; but when I tried to get some aid to some of the other areas, that aid was thwarted.

If there were any doubts, my suspicions about U.S. policy were confirmed in 1997 when the Taliban was saved from total defeat by high-level executives from the Clinton administration. What happened was in April of 1997, the Taliban launched a major offensive aimed at taking control over the northern third of Afghanistan. So they had already controlled two-thirds of Afghanistan; but up until that point, one-third of Afghanistan, the northern part, the northern alliance, were free from Taliban control, and yes, they were under the control, you might say, of regional leaders who were called and are called today warlords, but they are regional leaders. We can debate about the title.

An Afghan general named Malik was one of those regional leaders; and when the Taliban attacked northern Afghanistan, General Malik tricked the Taliban and managed to capture almost all of their front line troops, along with all of their heavy weaponry. It was an utter disaster for the Taliban. The road to the capital, Kabul, was wide open. The Taliban were totally vulnerable and could have been wiped out.

We are talking about early in April of 1997. I sent a message to my friends in northern Afghanistan that Kabul should be taken and that King Zaire Shah should be brought back to oversee a transition government that would eventually evolve and inevitably evolve as well into a democratically elected government, perhaps like what they did in Spain when the King went back and Spain, after the Franco dictatorship, evolved into a democracy; but before the anti-Taliban forces could strike, Assistant Secretary of State Richard Enderfurth and United Nations Ambassador Bill Richardson, both Clinton appointees, flew to northern Afghanistan and convinced the anti-Taliban forces this was not the time for an offensive. This, they said, was the time for a cease-fire and an arms embargo. This was the United States policy. When the Taliban were vulnerable, it became time for a cease-fire.

These two top foreign policy leaders of the Clinton administration were there to convince the anti-Taliban forces not to take advantage of the one opportunity they had to defeat their enemy, this Frankenstein monster that provided a base of operations to kill thousands of Americans. These Clinton

appointees saved the Taliban. Right after the cease-fire and release of prisoners that was brokered by Mr. Enderfurth and Mr. Richardson, the Pakistanis began a Berlin-like air lift to resupply and re-equip the Taliban. So much for the arms embargo, which just happened as it always does, worked as an embargo against the good guys, but the bad guys, we just turned the other way.

If I knew, which I did, of this massive resupply effort that was going on for the Taliban, the Clinton administration had to know about this. So they just let the scenario happen while still enforcing the arms embargo against the Taliban's adversaries.

Let us note here that Richard Clarke, the man who testified on the hearings on 9/11, who cast aspersions on our President, who is now trying to take care of business, Richard Clarke was then a high-level official in the Clinton administration's foreign policy establishment. He undoubtedly knew about this effort to save the Taliban, was probably involved in all of these things that I am talking about, and probably approved it. So when you consider his self-serving testimony in which Mr. Clarke besmirched President Bush before the 9/11 investigation panel, keep in mind the role that he played in creating and supporting the Taliban.

Dick Clarke has no credibility. By the way, after this episode had run its course, the newly equipped Taliban army launched another offensive. This time they took almost all of what was left of Afghanistan, except the Panjshir Valley, which was dominated and remained the domain of my friend Commander Masood, the only hold-out against the Taliban, and America did nothing to help them, even as a new gang of radical cutthroats moved in and made Afghanistan its base of operations.

What am I talking about? Al Qaeda. What about al Qaeda? What about bin Laden? Where does he come from? So the reemergence of bin Laden.

Nowadays Osama bin Laden is a household name. Yes, he fought in Afghanistan against the Soviets. I saw his tents and his luxurious living conditions. No, United States money did not train him or supply him. The Saudis had plenty of money to take care of that. So the United States Government did not train and supply bin Laden, but he was there; and after the Soviets left, this is an important point, bin Laden left. Not only did America leave but bin Laden himself left. He could have financed the reconstruction of Afghanistan. He came from one of the wealthiest Saudi families. He had contacts all over the gulf region where they were swimming in petrol dollars.

□ 2230

He had all of the money and contacts needed for this noble deed of rebuilding Afghanistan. Instead he left, and it was during this time when he was making even more billions of dollars for his

family that he began to focus on the United States as the prime enemy of his faith and he committed himself not to the reconstruction of Afghanistan, but to the destruction of America. So this is how God talks to bin Laden. Do not help people, do not help rebuild, just kill innocent women and children and try to terrorize a Nation. Bin Laden is from an enormously wealthy Saudi family. And while our petroleum dollars flowed into Saudi Arabia by the hundreds of billions, the Saudi establishment not only turned a blind eye, but attempted to buy off this and other Islam radicals in their country.

Bin Laden's hatred for us grew during Gulf War I. Our presence in Saudi Arabia was an insult to his faith. The slaughter of unarmed people is consistent with his faith? In the late 1990s, bin Laden began to set up his terrorist underground army for a war that he intended to wage on America. In the mid-1990s he operated not out of Afghanistan, but out of Sudan. America's official position was that bin Laden was a terrorist and was on the most wanted list. In fact, CIA director George Tenet had declared bin Laden as America's number one target. While designated as such, this self-aggrandizing monster organized, financed and implemented attacks that cost tens of billions of dollars and the death of thousands of innocent people, and not just in the United States, but worldwide we have seen these attacks.

Yet the same CIA that declared bin Laden their number one target with all of the power and assets that the CIA has, they could not thwart 9/11 and they did not warn us about 9/11? If this is not incompetence, what is incompetence? But this everybody knows. Unfortunately, this is mind-boggling evidence. The fact is, the very basis is they did not warn us, and 9/11 happened and he was their number one target. What more evidence do we need of incompetence on the part of our government and CIA in particular.

Vanity Fair has an interesting report about bin Laden and perhaps America's policy toward bin Laden and why he succeeded. Vanity Fair suggested that when bin Laden was in the Sudan, the Sudanese government cataloged all of the people he spoke to on the phone and in person. Here was a listing of all of the members of the bin Laden network, and the Sudanese government was abruptly turned down when they offered to give the United States the entire catalog. According to Vanity Fair, Madeleine Albright made the decision to turn down the offer and instructed no one to look at or copy the material.

The Sudanese former ambassador personally told me that he tried to hand this list to a representative of the United States Government. It would have permitted us to apprehend bin Laden's entire network, but we threw it back in his face. By the way, Dick Clarke had to know about this decision, too. This is the man who cast as-

persions on our President. That was back during the Clinton administration, of course.

Then, an even more personal incident happened when we want to talk about our government's ability to protect us and what was going on during the Clinton administration that led to 9/11. In April and May of 1999, America had an incredible opportunity to capture bin Laden. I was involved, and I am here to report yet another example of the incompetence of those we trusted to protect us from an attack like what occurred on 9/11.

In April 1999, I was contacted by a long-time friend who had been deeply involved in the Afghan fight against the Soviet occupation troops. My friend, an American, had impeccable credentials. He had been in Afghanistan, and was widely known and admired by the Afghan people. My friend called me to tip me off that bin Laden was outside of Afghanistan and could be easily captured. I told him I would pass on his name and phone number and that he would be contacted as soon as possible by the CIA.

The very next day I briefed the CIA and I passed on my friend's phone number and name, and briefed them on his credentials, and told them he could hand them bin Laden on a platter. I called my friend after a week. The CIA had not called him yet. I went back to the Agency, and this time they were adamant they would contact my friend. There was still a chance to get bin Laden. Another week passed. The CIA did not call my friend. This time I went to the gentleman from Florida (Mr. GOSS) who is the chairman of the Intelligence Committee. When the gentleman from Florida (Mr. GOSS) heard my story, he arranged a meeting for me the next day.

So the next day at the appointed time I went to a secure room in a secret and heavily guarded part of the Capitol where I went to meet with the representatives from the CIA. When I got there, there was a CIA representative and National Security Agency and the FBI. That was the bin Laden task force. They were all there, and they apologized for the dunderheads at the CIA who had not called my friend to get the information, and they were going to fall up on it immediately.

A week later I called my friend and he still had not been contacted. I mentioned it to the gentleman from Florida (Mr. GOSS) who was appalled. The next day a representative from an intelligence agency finally called my friend. The caller's tone of voice suggested that the inquiry was obligatory. It did not make any difference because the trail was already cold.

This incident is bad enough, but then there is the episode of Julie Sears. At the same time I watched the CIA stiff my friend who wanted to tip them off about the whereabouts of bin Laden, there was a young woman who came to my office seeking help. Her name is Julie Sears. She was an analyst at the

Defense Intelligence Agency. She knew I was the only one who understood what was going on in Afghanistan, and was seeking my help because she had been fired from the Defense Intelligence Agency.

Julie Sears has an interesting story. She had worked at the Defense Intelligence Agency for 3 years. She was an Afghanistan analyst. That was her specialty. She went to Afghanistan and was permitted to go to the Taliban areas only. When she returned, she did her study and realized there was information in Northern Afghanistan that was vital for the Pentagon to know if they were to understand the threat that might be taking place and building in Afghanistan. Julie Sears was forbidden to go to the non-Taliban areas of Afghanistan, so she decided to go on her own.

She told her boss she was taking leave, then reported where she was going, officially to the Agency's office that approves that. It was approved that she could go, and she went to Northern Afghanistan on her own and met with Commander Masood and others and came back with some information that was vital. That information was that Commander Masood was telling her that he was capturing troops from the Taliban who were from all over the world and that apparently bin Laden was bringing in huge numbers of people into Afghanistan, training them for terrorist activity, and then letting them fight Masood's forces to get wet behind the ears in battle. And when he captured these people, they were from all over the world. He was talking about the creation of al Qaeda.

Julie Sears came back with that information and she was fired on the spot, and the director of the Defense Intelligence Agency even refused to let her brief other members of the government and refused to have her report be officially put forward, and no one got that information.

I called in the head of the Defense Intelligence Agency. I called him to my office and he came there. He was a general, and we will not go any further than that. He had been in charge of the DIA for several years during the Clinton administration. I told him General, this woman risked her life in order to get this information. She is a hero.

His answer was, She is insubordinate.

I said General, I think she risked her life and spent her own money to try to get information for the safety of our country, let us compromise at the very least. Give her back her job, I will not call her a hero, you will not call her insubordinate, we will leave it the way it is.

He said, No, I cannot do that.

I said General, do it and if you blame somebody, blame me. Blame this politician who is politically interfering with the way you manage your operation.

He went back to his office and fired Julie Sears. That is the type of arrogant, bureaucratic attitude that ended up with 9/11.

Finally, there are two other instances that have colored my view of how we ended up with this war in terrorism which could have been avoided, but we were ill-served.

A few days before September 11, my friend anti-Taliban leader Commander Masood was murdered by al Qaeda. After the shock of seeing that my friend had been murdered, I figured it out. Bin Laden had sent his people to kill Masood because he knew the United States would rally behind Masood if there was a major terrorist attack against our people. Bin Laden's terrorist army planned to attack us. It was not hard for me to figure out. They killed Masood so we could not counter-attack against them by supporting Masood. Bin Laden's terrorist army was going to attack us. Perhaps Masood's death was a signal to move the plan that was already put in place forward.

The day before 9/11, I called the White House and asked to see National Security adviser Condoleezza Rice, it was an emergency. The purpose was to warn her of an imminent terrorist attack on the United States. One of her assistants came on the line and apologized, she was really busy that day but she made an appointment to see me the next day. Yes, on 9/11 I had an appointment to see Condoleezza Rice in the early afternoon to warn her of a major terrorist attack that was about to happen.

The question that needs to be asked was how was I able to figure this out. I have one staff member who is my foreign policy military staff member who helps me with foreign policy issues, why I was able to figure it out but the CIA was not able to figure it out. We know why the DIA was not, but why would the CIA, with billions of dollars at its disposal, hundreds of analysts and bin Laden the number one target, that they could not figure it out.

Incompetence. We need to blame people for their failures, and we need to blame the policies that brought about the problem. Finally on 9/11, once the planes started slamming into buildings, I knew right away what was going on. It did not take a genius at that point, but what also dawned on me, without Masood, there was only one person left on this planet who the Taliban and al Qaeda knew threatened their base, and that was the old king of Afghanistan in Rome. The exiled king, they knew without Masood, he was the only man the Afghan people could rally behind in order to launch a counter-attack.

I called the king. I was dumbfounded to hear there was no one there to protect him. This is hours and hours after the planes slammed into the buildings. He was totally exposed. Our number one asset in a war that we were just entering was totally exposed.

I called the American Embassy in Rome and then I called one of the top leaders of the CIA who concurred with me that the king was a primary target

of the band of terrorists with whom we were now at war. Yes, he needed to take care of that, and the king would be protected. Five hours later, by chance, I had the opportunity to speak with this very top CIA official again, one of the top leaders of the CIA. And when I asked him if the king was now protected, he said, "You do not expect us to act that fast?"

So there you have it. We are at war. Thousands of Americans were being slaughtered and the CIA official in charge of protecting us does not take the initiative to try to protect our number one asset that we needed to thwart the Taliban and thwart the people who were murdering our people.

Why did we have 9/11? There you go. Let us remember George Tenet was appointed by Bill Clinton, and he is still the director of the CIA. People tell me that since 9/11, he has been doing a better job, and that some people who were not doing a good job over at the Agency are doing a superb job now. Let me note that.

But when we talk about why 9/11 happened and who was responsible, especially when we have a committee who is trying to besmirch our President who is now taking care of business, let us look at the policies that people who created this.

□ 2245

The committee now investigating 9-11 can tell us about lack of information sharing; but we know that within the FBI itself, there were agents who were begging higher-ups to pay more attention to the possible threat of suspected terrorists who were receiving pilot training. No, there was not an obstruction there. There was not lack of communication or agencies did not talk to each other. That was right within the FBI. But, no, someone in that line of command was arrogant and told them to forget it. There was no absolute proof that this was going to happen. This is called bureaucratic arrogance and bureaucratic inertia or perhaps maybe the arrogance of officialdom or just plain incompetence. Couple that with the policies of the Clinton years that created and nurtured the Taliban and turned Afghanistan into a terrorist training base and a staging area for terrorism, take those things together, that is what brought us into this situation that we find ourselves in today.

Those who run our government should be held accountable for the policies that they advocated that created this Frankenstein monster, and they must have the commitment and be held responsible and accountable for their lack of commitment of getting their job done if their job was to thwart attacks on the United States. 9-11 happened because of the actions or lack of actions of certain people with authority and because of fundamentally bad policy.

Today we have a fundamentally good policy at hand when our President is taking care of business in Iraq. He is

not kicking the can down the road like they did during the last administration. He is going to see that the people of Iraq develop an alternative to radical Islam, and by doing that he has a strategic vision that will build a better tomorrow rather than ignoring any potential threats and permitting the Frankenstein monsters that appeared in the late 1990s to reappear.

If America is to be secure, we must do our job, and that is our job in Congress, and that is to hold people who fail accountable, and we should quit whining about it and quit playing politics. That is our job in Congress, to hold people accountable, to oversee what is happening in the other branches of government and to pass rules and regulations and to make sure that our military is equipped and doing the right job.

We too have to be held accountable perhaps in the 1990s for not stepping forward but instead being focused on other things. The United States Congress was not focused on Afghanistan. It was not focused on these problems as well. And today I think we have a chance to make up for that. We have a chance to work with our President and, instead of playing politics, make sure we win this battle in Iraq and help create a better world.

I am very proud of our President, and I am very confident that our children will not have to suffer another 9-11 because we are doing what is right today.

#### IRAQ WATCH

The SPEAKER pro tempore (Mr. COLE). Under the Speaker's announced policy of January 7, 2003, the gentleman from Massachusetts (Mr. DELAHUNT) is recognized for 60 minutes.

Mr. DELAHUNT. Mr. Speaker, we are back here this evening for another installment of our weekly Iraq Watch. Tonight I am joined initially by the gentleman from the State of Washington (Mr. INSLEE); and I expect, as the hour proceeds, other members of Iraq Watch will join us for our weekly discussion.

The revelations of the past several days concerning abuses of detainees or prisoners under the auspices of American military have shocked and appalled the world. And as many have indicated, including the President, Secretary Powell, and Secretary Rumsfeld, this is unacceptable, unconscionable, and un-American. It is an embarrassment to our country, to our military; and it is my understanding that a variety of congressional committees intend to address this particular issue.

But what concerns me is something that is fundamental to what we have been talking about these past months about our policy in Iraq and the Middle East in the war on terror, and that is credibility, competence, and the willingness of this White House, this administration, to consult with Congress. I think that there is a growing realiza-

tion that this President, this Vice President, and this administration have failed on all accounts.

There was a report today in the media which quoted President Bush regarding these appalling revelations. And I would like to read to my friend and to the Speaker and to those who might be viewing us this evening as we have our weekly conversation excerpts from those reports in the international as well as the American media:

"The first time I saw or heard about pictures was on TV," the President," referring to President Bush, "said, leaving open the question of when he first learned about the substance of the allegations that prompted an initial investigation in January of this year. But General Peter Pace, Deputy Chair of the Joint Chiefs of Staff, said that 'Everyone was kept apprised orally of the ongoing investigation.' Asked whether Bush and General Richard Myers, Chairman of the Joint Chiefs of Staff, his direct supervisor, were well aware of the situation, General Pace responded, 'Yes.' Myers, the country's top general, raised eyebrows over the weekend when he said that he had not read a report completed in early March that documented the widespread abuses in Abu Ghraib. Secretary of Defense Donald Rumsfeld had also not read the report that was completed in March by this Monday," by this past Monday, "5 days after the damning photographs were first shown on the CBS television program 60 minutes, a spokesman said."

I find that absolutely incredible. The Secretary of Defense had not read the report until this past Monday, and the report was completed in March. What is going on? One can only describe this as ineptitude of the highest order.

Let me continue: "Congressional leaders have bitterly complained that they were kept out of the loop and were particularly incensed after the Pentagon reported Tuesday the deaths of 25 prisoners in Iraq and Afghanistan including at least two confirmed homicides. The Congress has not been notified of the murders that took place. 'There have been no reports of these abuses,' Republican Senator John McCain, himself a prisoner during the Vietnam War, told ABC television on Wednesday."

From the Cox News Services, Senator MCCAIN went on: "The Congress should have been notified of this situation a long time ago. It's a neglect of the responsibilities that Secretary Rumsfeld and the civilian leaders of the Pentagon have to keep the Congress informed of an issue of this magnitude."

I agree with Senator MCCAIN. Even the majority leader of this House, this body, who certainly has taken the most hawkish position possible when it comes to the issue of Iraq and Afghanistan had this to say: "We are being briefed all the time. If we are going to be a part and a partner in this war on terror, then we are to be completely briefed, not just briefed on those things

they want us to hear." Of course, the majority leader of this body is the gentleman from Texas (Mr. DELAY).

I see the gentleman from Washington (Mr. INSLEE), and he has a look in his face that he wants to make a comment.

Mr. INSLEE. Mr. Speaker, it is difficult, while our proud men and women are serving in the field in Iraq, to tell some very unfortunate truths about the failure of the executive branch of this government to live up to their service in Iraq. It is difficult to say the truth, which is there has been gross incompetence, deception, manipulation of the truth, failure to recognize reality in Iraq which has got us in such an unholy mess by the executive branch of the Federal Government. That is not pleasant to say given what our troops face in Iraq tonight. But it is necessary to say it.

And the reason it brought hope to me when I was visiting a family that lost a son and a husband in Iraq while serving in an incident where he earned the Bronze Star posthumously, a man who will not be coming home to his children, when I talked to his widow, the one thing she impressed upon me that she wanted me to do is to not fail to blow the whistle on executive branch incompetence which has created such problems in Iraq or at least not responded to them the way they should. And this body, the people's House, has an obligation to blow the whistle on these multiple failures, and they are multiple. And tonight I think we are going to talk about 10 failures of the executive branch of the government, which has been responsible in part for some of the difficulties that we face in Iraq.

And the first one I would like to mention is the one that leads in part to some of the problems we face with handling prisoners of war. The public is well aware of what happened here. I heard a conservative commentator yesterday just describe this as the soldiers just having a good time, just blowing off steam. It is that kind of attitude that apparently permeated our command and control structure in our prisoner of war camps, and that kind of attitude has the potential to inflame the Arab world and create more enemies of the war we are fighting against al Qaeda right now. It is a gross mistake.

□ 2300

It is a failure of a command and control structure.

One of the problems this Congress needs to get right to the bottom of is this scandal regarding private contractors in Iraq. We have heard of multiple scandals involving overpayments to the Halliburton Corporation, multiple scandals involving mispayments and overpayments for oil to these corporations, many of whom are great political donors, I might add, in the United States political system.

But there is another one we need to get at, and that is why we have private contractors doing interrogation of prisoners of war in Iraq, who are outside

the command and control structure, who are not subject to military discipline, and who apparently were instrumental in this debacle in our prisoner of war system. There is an error and failure that we need to get to the bottom of.

Mr. DELAHUNT. Mr. Speaker, reclaiming my time, I do not know if my friend was aware, but the second largest army in Iraq today is not the army of the United Kingdom, but it is this army of private contractors. Let us call them what they really are, they are mercenaries.

I dare say, to privatize a war without the command and control of American generals and American officers is a very, very dangerous precedent that is being established.

I think what we are seeing here tonight, what we are talking about tonight, rather, is an example of where it can lead. We all have to acknowledge and remember that the entire world is now viewing, not just simply the photographs, but the realities of the war on the ground and the fact that the United States of America is privatizing its military, privatizing its war, delegating to those who are not necessarily responsible and accountable to American military command absolutely significant duties.

Mr. INSLEE. If the gentleman will yield further, this is starting to permeate our whole system. We are finding that contractors are going to leave when the temperature gets too hot. We have got these private contractors doing interrogation and involved in this scandal in our prisoner of war camp.

Let me suggest this is part and parcel of the second failure. The first problem we talked about is a failure of command and control. But the second failure of this executive branch is the failure to be honest with the American people as to what this war is costing and their desire to fight a war on the cheap. While our people are losing their lives in Iraq, this administration refuses to be honest with the American people about the real cost of this war.

Let me suggest two reasons that I know that is true. Number one, instead of having a military system that is capable of fighting this war and putting the troops on the ground that were really needed, they tried to do it with these private contractors, many of whom are, again, engaged in the political process in this system and are political allies of those making executive decisions about this war. Number one.

Number two, as of this moment, in the middle of this war, while our soldiers, men and women are putting their lives on the line, this President has not shown how to pay for this war, and today I am told now proposed another \$25 billion of deficit spending to pay for this war.

If our soldiers can put their lives on the line, this executive branch ought to say what this war is really going to cost us and how long we are going to be

there and how we are going to pay for this war. And just adding it open to the backs of our children just will not wash. Maybe that is the politically expedient thing to do. Maybe when you start a war based on false information, and we now learned it is false, maybe you want to kind of sweep it under the rug, how many billions of dollars it is going to cost the American taxpayers. But it is the wrong thing to do, like it is the wrong thing to do to fight this war on the cheap, to have contractors in there instead of folks in your command and control system. We need to get to the bottom of that failure number two.

Mr. DELAHUNT. Reclaiming my time, Mr. Speaker, I think it is appropriate that we speak about the contractors and their roles, this private army, these mercenaries. It is also important again to go back to what I spoke to earlier, the incompetence and the ineptitude that is so rank and so disturbing.

It is as if nobody knows what is happening. The President of the United States is seeing this on TV. The Secretary of Defense has not read the report until this week, and the report was completed in March. If that is the case, if that is the fact, and we do not know that, I cannot understand what is going on in terms of this administration and its efforts.

Mr. ABERCROMBIE. If the gentleman would yield, I think that in the context gentleman has just enunciated, that the notification to the Congress this afternoon of the \$25 billion request is in order for examination. It is characterized as a "supplemental package." There is nothing supplemental about this. This is an ongoing cost, an expense.

What is being outlined here in terms of what private contractors are doing, the package that has been put forward by the White House says it is for military operations in Iraq and the war on terrorism.

Now, I realize, and I think the gentleman would agree, that this has to be paid for. We cannot leave our troops out there without their proper equipment, many of the things that speakers in Iraq Watch have brought up before on this. But would the gentleman agree then, before this \$25 billion is voted on, we need to find out where this money is going, who is going to get the money, what are the operations that are envisioned?

Mr. DELAHUNT. What the gentleman is saying is that we need at this point in time a bona fide consultation, unlike what we have had to date. And this is not a partisan attack on the administration. This was the opinion of Republicans who supported the war dating back to January of 2003 in a column by Robert Novak of the Sun Times in Chicago. Let me quote again some excerpts that I think are very revealing about the attitude of this White House and this administration towards this institution and towards a

shroud of secrecy that has been unparalleled in our history.

"Republican Senators gathering last Wednesday for their first session retreat should have been happy, blessed with a regained majority and a popular President. They were not. Instead, they complained bitterly of arrogance by the Bush administration, especially the Pentagon, in treatment of Congress all along the road to war. It informed the White House Chief of Staff Andrew Card that there were grievances from President Bush's Senate base; that it is ignored and insulted by the administration, particularly by Defense Secretary Donald Rumsfeld in preparing for the war against Iraq. Recitals of complaints began with Senator JOHN WARNER, a pillar of the Senate GOP establishment. WARNER had his colleagues' attention when he addressed Card. 'I will not tolerate,' he boomed, 'a continuation of what has been going on over the last 2 years.' He cited cavalier treatment that denies information even to the venerable top Senate Republican on Armed Services.

"Next up was Senator PAT ROBERTS, a former Marine officer who has spent the last 40 years on Capitol Hill. ROBERTS, a plain-spoken midwesterner from Kansas, is the new Senate Intelligence Committee Chair. He told Andrew Card to mark him down agreeing with everything WARNER just said. Senator KIT BOND of Missouri got up next and repeated similar concerns."

So this is not a partisan attack on the President. This is a bipartisan concern that this administration act competently and consult with Congress. These issues are too serious.

Mr. ABERCROMBIE. If the gentleman will yield further, last evening I had an opportunity to speak in a special order, and I indicated then and I indicate again tonight in the wake of the gentleman's suggestion that the President was ill-served by those in authority who failed to inform him fully as to what all the conditions and circumstances were.

There is no excuse for the leadership in the Department of Defense not informing the President of the United States as to what he might be facing with respect to the outcome that was here. I pointed out last night that this situation did not just develop with CBS on 60 Minutes II within the last 7 days. A report by the Provost Marshal of the United States Army, Major General Donald Ryder, in November of 2003, was in the hands of General Sanchez and in the hands of the Department of Defense and the Secretary in the fall of last year.

□ 2310

In the wake of that, I have here and am displaying to my colleagues, Mr. Speaker, Article 15-6, investigation of the 800th Military Police Brigade. This was the report that was requested on January 19, 2004, subsequent to the



Provost Marshal's investigation and report, which indicated severe difficulties, tensions between military intelligence-gathering and proper prison conduct by those in charge of the prisons, indicating that there were training problems, operational problems that needed to be addressed. And so on January 19, Lieutenant General Sanchez, Lieutenant General Sanchez, the commander of the Combined Joint Task Force 7, requested that the U.S. Central Command appoint an investigating officer, and that investigating officer, of course, was General Taguba. His report responded to the admonitions of Lieutenant General Sanchez that an investigation of detention and internment operations be undertaken, starting from November of 2003. November of 2003 is when the report went in, indicating that there had to be steps taken to address these questions.

Let me quote from the opening paragraph. "Lieutenant General Sanchez cited recent reports of detainee abuse, escapes from confinement facilities, and accountability lapses, which indicated systemic problems within the brigade and suggested a lack of clear standards, proficiency, and leadership."

Fifty-three pages later, and if the gentleman will grant now, I will not cite over and over again what is taking place in here, but one shocking event after another.

This 53-page report, and this comes from CQ Today, Congressional Quarterly Today by Neil Soros from the CQ staff, and he quotes, "The 53-page report drafted by Army General Antonio Taguba, and based on an investigation into the abuse allegations," that is this report that I hold in my hand, "that began in January was finished in April. The report was detailed in this week's New Yorker magazine. At a Pentagon news conference today, Secretary Rumsfeld defended the time it takes to release such information."

Now, this information was available from November of last year.

Quote: "I recognize the appetite of people for instant information and instant conclusions," he said. That is to say Secretary Rumsfeld. "These things are complicated. They take some time. It required interviewing people back in the States who had already left Iraq that required discussions with people. They are proceeding in a very systematic and appropriate way, and to the extent I conclude at any time there is some slice of it that has not been investigated, has not been looked at properly, you can be sure I will undertake such an investigation."

Clearly, the Secretary of Defense is dissembling and somehow thinks that everybody in this country can be fooled as to what his responsibility is. The Secretary of Defense has known, at least since November of last year, what was going on and did not even inform the President of the United States, because the Secretary of Defense, as I said last night, apparently has assumed

that he is the chief operating officer of this country and that he does not need to inform the Congress, he does not only not need to inform the Congress, but does not even need to inform the President of the United States.

I yield to the gentleman from Ohio.

Mr. STRICKLAND. Mr. Speaker, I would just like to say that I think the Secretary of Defense, Secretary Rumsfeld, should resign. He was quoted in the paper today responding to a question as to why he had not asked to see the pictures, and he indicated that he had asked, but they were not available.

Now, if the Secretary of Defense of this country cannot acquire pictures that he asks for, is it any wonder that we have troops in Iraq tonight who are driving around in unarmored vehicles? Is it any wonder that we had troops in Iraq for an entire year without protective body armor? If the Secretary of Defense cannot get pictures that he requests, my God, what are we facing over there? It just is indescribable.

I yield to my friend, the gentleman from Washington State.

Mr. INSLEE. Mr. Speaker, if it was one failure, wars are tough, some things go wrong; and if it was one failure, maybe we would be in the excusing mode. But it is interesting. Of all of the failures that have happened in Iraq from day one, not one single person has lost their job, except maybe recently in this POW camp situation.

Mr. ABERCROMBIE. Mr. Speaker, if the gentleman would just yield on that point, yes, somebody has lost their job: the people who published the pictures of the coffins coming home.

Mr. INSLEE. Who is my constituent, by the way, and we will talk about that in a few minutes. But let me suggest that there is not one failure, there are 10 failures. And before the night is out, I want to list the 10 failures of this executive branch which are significant which have gotten us into this mess.

Failure number 1. They told us and the world that Iraq had weapons of mass destruction. The President of the United States said on August 26, 2002, "Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction." That statement was false.

Number 2. They told us they had clear and convincing evidence of the connection between Saddam Hussein and the attack of September 11 and al Qaeda. No matter how many times that is said, that statement is false. We have now seen the intelligence briefing. There was no such evidence. That statement was false.

Third: they told the American people that we would be greeted as liberators, rose petals strewn at our feet, happy convocations of democracy-seeking Iraqis greeting our personnel carriers. As a result of that failure, Americans died, because they refused to send armor that would have protected our soldiers from these improvised explosive devices along our roadways, and they sent them with thin skin, sheet

metal Humvees not as thick as your washing machine that did not protect our soldiers.

Now, why did they make that such fundamental error? Why did they not send our armored personnel carriers that we have 11,000 of them sitting in warehouses around this country, why did they not send those? Well, there is a reason. It is because they were so, and I have no other word to put it but arrogant, to believe that their wisdom would be accepted by the entire Middle East when they came into Iraq, and they were wrong, and our people died.

Issue number 4: they ignored clear evidence that we needed more troops on the ground after the collapse of the Iraqi Army. General Shinseki, General Zinni, many people told them, when the Iraqi Army collapses, there is going to be massive looting and chaos and you are going to need hundreds of thousands of troops to protect us and the Iraqis, and they ignored it. Why? Because of arrogance.

Issue number 5: they refused to say we needed the U.N. Now the President is now saying we needed the U.N., now. Well, it is a little late now when the rest of the world is refusing to become involved.

Number 6: they refused to have elections. I am told Jay Garner, the first provost they had, suggested they needed elections. That is kind of what democracy is about. Now, proposedly, the President is going to turn over sovereignty on June 30. What a joke. The only thing these people are going to control in Iraq after we hand-pick these people are who gets library cards. Every single thing else is going to be run by us, and Iraq knows it. I will go quickly.

Number 7: No command and control and adequate training in handling these POWs with a massive black eye to the United States of America. When we have tens of thousands of people doing a great job in Iraq, our reputation has been soiled.

Number 8: no armor. We talked about that.

Number 9: no plan to pay for Iraq. We have over \$130 billion of payment of Iraqi expenses, and this President has not suggested one single dollar except deficit spending to pay for this war.

Number 10, and this is the one maybe that is the most no-brainer to me I can think of. They sent 130,000 troops into Iraq without body armor, knowing that you are sending them into the war and into the dens of modern combat without modern flap jackets. That is 10, and that is enough.

Mr. STRICKLAND. Mr. Speaker, if the gentleman will yield, I wrote Secretary Rumsfeld about the body armor issue months ago and he wrote me back and he said all of our troops will be protected with this body armor by November.

□ 2320

A day later I get a letter from General Myers, and he says it will be December. Before we leave here for the

holidays, they had a briefing at the Pentagon; they said it is going to be January. Do you realize it was March of this year, one full year after the beginning of this war, before the Pentagon was willing to say that all of our troops had been equipped? And now they are over there without uparmored Humvees, and they are driving over these roadway explosives. They are getting their arms and legs blown off. They are losing their lives, and we are not correcting that problem as quickly as we are capable of correcting it.

How do I know that? Because the only company the Pentagon has a contract with to provide these uparmored Humvees is an Ohio company located in Fairfield, Ohio. They are capable of producing in November of this year, by November of this year, 500 of these uparmored Humvees per month. How many is the Pentagon willing to buy? Only 300 per month. That means that we are not addressing this problem as quickly as it is possible to address it.

How can the President, how can the Secretary of Defense, how can Paul Wolfowitz look the American citizen, the American family, the American soldier in the eye and explain to them why we are not doing everything as quickly as possible to protect our soldiers?

One more thing before I yield, Deputy Secretary Wolfowitz, who I believe and I think most people believe was largely responsible for helping formulate this policy of going into Iraq as we did, was asked a few days ago how many American soldiers had been killed. And he indicated that it was something over 500. And at that time we had lost well over 700 American soldiers. To think that the Deputy Secretary of Defense was not paying attention to the number of American deaths is almost unthinkable, almost unthinkable.

I have got 8th and 9th grade students who come to Washington, D.C. from my district, to visit me in Washington, D.C., who are better informed about the price this country is paying in terms of deaths and the injuries of our soldiers than apparently is the Deputy Secretary of Defense, Paul Wolfowitz. He should be ashamed of himself.

I cannot fathom that one in his high position would not on a daily basis take note of the number of American soldiers who have lost their lives in this conflict.

Mr. INSLEE. I just want to offer a brief suggestion why that is. How could the Assistant Secretary of Defense not know our casualties? How could you possibly explain that? Well, there is an explanation.

This administration has got us into a war and is pursuing a war based on wishful thinking rather than hard reality. Now, wishful thinking is fine in Hollywood. It makes some great dramas, but it is a lousy way to win a war; and it costs people's lives, and that is what is happening tonight. They have wishful thinking; if we just stay the

course, the Iraqis will accept the government we are trying to force down their throats. It is wishful thinking that the ID are going to stop and the Humvees are going to stop the attacks on our soldiers. It is wishful thinking that somehow we will find \$150 billion a year to pay for this war.

They refuse to recognize the hard cold reality that our soldiers are facing every day in Iraq. It is morally, ethically, and democratically wrong; and that is why we are here tonight.

Mr. DELAHUNT. Just to pick up on the point by my friend, the gentleman from Ohio (Mr. STRICKLAND), it is beyond the incompetence and the ineptitude that seems to characterize the civilian leadership of the Department of Defense. That can only be called callousness, and it is rank and raw. And maybe he ought to join us as we attend the funerals of those who have died in the service of this country. I have already attended two, two funerals. A young man in Quincy and just recently a young man in Plymouth. This Saturday I am attending another funeral. And just maybe if Under Secretary Wolfowitz was at that funeral with me, he might know the number of Americans that have died in this war. But maybe it is just simply ineptitude.

We were talking earlier about these contractors, these mercenaries, these Hessians, if you will. A report exists that has targeted two individuals who worked for contractors. Now, I am not going to reach a conclusion, because everyone deserves due process, everyone deserves the implementation of the rule of law as we know it in our democracy; but they have not even received notice. Just imagine that. They have heard nothing from the Pentagon.

It is in a report and there has been no communication to these private companies. Yesterday in the New York Times the lead contractors implicated in prison abuse remain on the job. They are still there. More than 2 months after a classified Army report found that the two contract workers were implicated in the abuse of Iraqis at a prison outside of Baghdad, the companies that employ them say they have heard nothing from the Pentagon and that they have not removed any employees from Iraq.

For one of the employees, the Army report recommended termination of employment and revocation of a security clearance. For the other, it urged an official reprimand, whatever that means, and review of his security clearance. Military spokesmen in Washington and Baghdad said Monday evening they had no information on whether the workers were still on the job or why the report had not been conveyed to the companies. One of the principles in the company noted with apparent irritation that the military still had not provided the company with a copy of the report completed February 22.

What is going on with the civilian leadership under the direction of this Secretary?

Mr. ABERCROMBIE. Mr. Speaker, I can tell you who has been notified. I can tell you who has been held responsible.

The New York Times, perhaps the same article, indicated yesterday, the senior American commander in Iraq has ordered the first punishments in the abuse of prisoners by American soldiers there, issuing severe reprimand to six who served in supervisory positions and milder levels of admonishment to a seventh. Those in supervisory positions received a reprimand or a letter of admonishment. However, six subordinates accused of carrying out the abuse already face criminal charges.

Mr. DELAHUNT. It just gets worse.

Mr. ABERCROMBIE. A moment longer.

"They did not know or participate in any crimes," a senior American officer in Baghdad said of the officers who received the reprimand. "Who determined that they did not know or participate in any crimes? A senior American officer unnamed says in Baghdad, but they know that the six subordinates, the poor grunts on the ground, they know that they have got to face criminal charges. In addition, issued the reprimand. Their responsibility is to set the standards in the organization. They should have known, but they did not. So they just get a reprimand."

They are the ones setting the standards in the organization by the administration of senior officers in Baghdad. We already know what is happening. The grunts on the ground are taking the fall. That is what is happening. That is the reality. And the officers are running and hiding, and they are being allowed to do it despite the fact that we know that reports existed as far back as last November pointing out what the difficulties and challenges were.

□ 2330

Mr. DELAHUNT. Mr. Speaker, the chief executive of one of the civilian contractors said in an interview this past Monday, just stop and pause and think of that, this past Monday, said we have not received any information or direction from the client regarding our work in-country. No charge, no communications, no citations, no calls to appear at the Pentagon.

Mr. STRICKLAND. Mr. Speaker, if my friend would yield, I dare to say that this smells like a cover-up, and I think Secretary Rumsfeld has to assume responsibility. He is the Secretary of Defense of this Nation, and when he was asked, have you asked, Mr. Secretary, to see all of these pictures depicting this abuse, and he indicates, as was reported in the paper, well, I was told they were not available, I mean, talk about someone trying to shirk responsibility. It is almost laughable. He is the Secretary of Defense.

Then General Myers, I saw him interviewed just a couple of days ago, and

he had indicated that he had not even read this outrageous report. He had not read it, and so it seems to me, rather than the grunts on the ground, that someone like General Myers and Secretary Rumsfeld should step up, assume responsibility, admit their failure of leadership and have the good graces to submit their resignations to the President of the United States, and if he is not willing to do it, I would hope the President would ask for it.

Mr. ABERCROMBIE. If the gentleman would yield on that point, would the gentleman from Massachusetts kindly read back to us the last sentence that he just read from that report with respect to the client. I believe there was a sentence that the contractors were making reference to who their client was. Could the gentleman read that sentence.

Mr. DELAHUNT. That is exactly the word. I will look through. We have not received any information or direction from the client.

Mr. ABERCROMBIE. The client.

Mr. DELAHUNT. The client is the American taxpayer. That is who the client is, the American people.

Mr. ABERCROMBIE. If the gentleman will yield back, yes, the client that is referred to presumably is the Department of Defense.

I have before me a letter that was received by the ranking member of the Committee on Armed Services, the gentleman from Missouri (Mr. SKELTON) yesterday on May 4, from the Secretary of Defense, Mr. Rumsfeld, where he states with respect to private security companies, known as PSCs, private security companies, where he states, It is my understanding that most of the PSCs doing business in Iraq do not work directly for the U.S. government.

Mr. STRICKLAND. Who do they work for?

Mr. ABERCROMBIE. I am about to tell you. I am about to tell you.

They work under subcontracts to prime contractors to provide for the protection of their employees. They are apparently just manifesting themselves like spontaneous combustion or immaculate conceptions in Iraq.

Many PSCs, and I am quoting the Secretary of Defense here, many PSCs are hired by other entities such as Iraqi companies or private foreign companies seeking business opportunities in Iraq.

We are in the middle of a war zone and the Secretary of Defense says, well, 10- or 20,000 people over here with guns and going anywhere they please and causing anything to happen that they want, what does it have to do with me and my 135,000 people?

The CPA, the Coalition Provisional Authority, has established a PSC working group to provide a forum, a forum, a discussion group, in which PSCs exchange information, and approximately 50 PSCs are actively involved in this group. He has a list of 60 that is attached to this. Apparently 10 of them

do not even bother to show up at the forum. God knows what kind of rules they are operating under.

The Secretary goes on to say, The Department of Defense is drafting uniform guidance regarding PSCs employed in Iraq under contracts using U.S. appropriations, which means as of May 4, 2004, there is no uniform guidance from the Department of Defense regarding the utilization of private contractors being paid from U.S. appropriations.

This is dereliction of duty. How is it possible for the Secretary of Defense to tell the American people and tell the American Congress that he has no rules whatsoever and is in the process of forming what he calls uniform guidance, whatever the hell that is? That is what the Secretary of Defense has done. He has undermined completely the policies of this country, has failed his President, failed this Congress and failed his duty.

Mr. DELAHUNT. As my colleague knows, at least it has been reported in the paper, that the Secretary will appear before the Senate Foreign Relations Committee or some other committee of the United States Senate to respond to the concerns that Republicans and Democrats and everybody has articulated over the last several days.

I would hope that one additional question might be asked of this Secretary who stands here next to the President of Uzbekistan, who is a tyrant, a despot and a dictator, who some day will rival Saddam Hussein as a gross violator and threat to regional stability, but is now part of the coalition of the willing, but I digress.

From the book which was offered regarding the experiences of the former Secretary of Treasury Paul O'Neill, there is related an anecdote, and I think it needs an answer because I do not want to make an accusation, but this anecdote occurred on February of 2001, months before our national tragedy of September 11, but the preparations were underway to do something about Iraq, to do something about Iraq.

On page 96, let me read, Beneath the surface was a battle, O'Neill, that seemed brewing since the National Security Council meeting on January 30. Remember, the President had been in office for a week. It was Powell and his moderates at the State Department versus hard-liners like Rumsfeld, Cheney and Wolfowitz, who were already planning the next war in Iraq in the shape of a post-Saddam country. Documents were being prepared by the Defense Intelligence Agency, Rumsfeld's intelligence arm, mapping Iraqi oil fields and exploration areas enlisting companies that might be interested in leveraging the precious asset. This is less than a month after President Bush was inaugurated.

One document entitled Foreign Suitors for Iraqi Oil Field Contracts lists companies from 30 countries, their specialty, bidding histories and, in some

cases, their particular areas of history. He expressed the desire to dissuade countries from engaging in asymmetrical challenges to the United States, as Rumsfeld said in his January articulation, of the demonstrative value of a pre-emptive attack.

I would like to have a response to that particular page. What was the memory of Secretary Donald Rumsfeld? Why was he preparing at that point, cutting up the pie, if you will, allocating oil contracts months before 9/11?

Mr. INSLEE. Mr. Speaker, will the gentleman yield.

Mr. DELAHUNT. I yield to the gentleman from Washington.

□ 2340

Mr. INSLEE. Mr. Speaker, I think it is important to say what is happening in Iraq due to the deception and falsehood by this administration is not only a threat to our soldiers, it is a threat to democracy itself. There is no greater violation of the democratic principle than an administration that does not tell the truth to the American people, and we are not getting the truth. We know we did not get the truth about WMD or a connection to 9/11, but now we find it was months and months before we got to the truth because somebody leaked pictures about this scandalous situation in our POW camps.

This is a direct threat to the democratic principle. If you want to know how bad things are going to go, when the government does not tell the truth to the American people, I want to quote something I read today. I was with the gentleman from Ohio (Mr. STRICKLAND) at the Library of Congress this evening, and they have an exhibit about Winston Churchill. On page 42 of this pamphlet, it has a picture of Winston Churchill and Lawrence of Arabia taken in 1921 at the Cairo Conference. It says, "During this meeting, Churchill helped establish the government ethnic composition and political boundaries of Iraq and other portions of the Middle East."

When the British did that, they told their people they would be there for a year or two and they would help bring democracy to Iraq. Lawrence of Arabia told them they were crazy because they did not understand the ethnic composition of that part of the world.

Do Members know the year they left Iraq after getting in in 1922, the British Empire, 1953; 31 years. What is 31 years, that is 2035 if we have a similar misunderstanding as to what is going on in Iraq.

The sad situation is this administration has demonstrated repeated failures to understand the challenges we have in Iraq. I want to offer one idea. We have offered a lot of criticism and we have called for accountability of people which is a democratic principle. We have called for accountability of people in this administration who should be removed because of their repeated failures, misjudgment and deception.

There is only one way we are going to get out of Iraq, and that is allow the Iraqi people to seize their own destiny, and that destiny may not be perfect according to what the Oval Office wants it to be, but this President has to recognize he cannot run Iraq from the Oval Office. The Iraqi people are going to have to fashion their own destiny.

That is why I believe we should call for early elections this summer if possible, as was done in the town of Tar and the village of Shatra, a town of 250,000. They have had elections. They have done it using their ration cards. In these towns, they have already had elections. You bring in your ration card, you stamp it when there is a vote, and you pick who you think should be in charge of your destiny.

The Iraqis need to get involved in their country's future. Right now they are dependent on us for everything. They are dependent on us to do all of the dying and spending. We need Iraqis to grasp their own destiny, and the best way to do it is through elections. Those elections may not be as good as the one in Florida in 2000, but it would be a lot better than us picking the people that we are going to shove down the Iraqi's throats in this bizarre situation.

Mr. ABERCROMBIE. Mr. Speaker, it was just about a year ago, just about this time that the first congressional delegation under the leadership of the gentleman from California (Mr. HUNTER) went into Baghdad from the Baghdad Airport up Kirkuk, the first opportunity that Members of Congress had to actually meet face to face in Baghdad itself with General Garner and Ambassador Bremer. We got into Baghdad the same day, or within 24 hours or so of the time Ambassador Bremer was replacing or complementing the service of General Garner.

I can tell the gentleman because I believe it was the gentleman from Washington (Mr. INSLEE) who mentioned that General Garner had some ideas about what needed to be done vis-à-vis reconstruction. I can affirm to the gentleman based on his suggestion which he just made about elections that General Garner felt very strongly at that time that councils of one kind and another should be allowed to be set up, that we could go to the Iraqi people

and trust that they would put these together with a minimum of structure, if you will, from the United States. That is to say we could help provide the logistical capacity to help conduct the elections, but he felt they should move forward expeditiously.

And I can tell you his suggestions were made in a context in which he was shoved laterally just about as fast as he could go. I think we are going to find General Garner, who was kind of dismissed as someone who did not quite understand what was going on, from the point of view of history will be shown as having a clear idea of what needed to be done.

Mr. STRICKLAND. Mr. Speaker, the history of this administration is anyone who questions is shoved aside. General Shinseki said we would need hundreds of thousands of troops. He was literally ridiculed by the Secretary of Defense and others.

Mr. ABERCROMBIE. He was rebuked publicly.

Mr. STRICKLAND. Absolutely, because you do not question these folks. They seem to know everything.

What we are finding out is that their understanding is so immature that they are almost child-like in their fantasies. It is almost like a make-believe. They want the world to be a certain way, and so they just assume it is; and then who pays the price? The American people pay the price, the families of our soldiers and the soldiers pay the price.

If I can say something about the need to come up with a plan as the gentleman from Washington (Mr. INSLEE) and the gentleman from Hawaii (Mr. ABERCROMBIE) have suggested. The papers reported today that the troop levels that we are going to have in Iraq will stay at about 135,000 throughout 2005. I submit that is just the beginning. It is going to be 2005, 2006, 2007, we know not when this is going to come to an end.

This is my prediction. My prediction is this: If we do not change our policies, if we do not come up with a plan to extricate ourselves honorably from that situation, we are going to find ourselves facing the strong possibility of a military draft and the moms and dads in this country who may feel very detached from this war right now be-

cause they have a 13 or 14 or 15-year-old son or daughter, and they do not think it is going to touch them, we cannot sustain our military needs around the world and continue to do what we are doing in Iraq without the possibility, I think the strong possibility of a military draft.

If we have a military draft, I do not think we will have those exemptions that we had when I and Vice President CHENEY were draft age. I think every person of draft age will be subjected to it. I hold that out not as a threat, but I think it is realistic. We have National Guard persons and Reservists over there, and they are being extended beyond the normal time of service. We cannot continue this for years and years and years into the future.

Mr. ABERCROMBIE. Mr. Speaker, the indication today was from the Department of Defense that Reservists and National Guard can look forward to 16,000 more being called up in the next year to supplement those already in service.

Mr. DELAHUNT. Mr. Speaker, meanwhile, what is happening in terms of the war on terror. We are talking about Iraq, and yet all over the world, murky, small, nebulous cells of fundamental Islamics who hate America are being spawned.

Mr. Speaker, maybe tomorrow if we have some time we will come back and do a wrap-up. Again, I thank my colleagues for this installment of Iraq watch.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. COLE). The Chair reminds all Members that it is not in order in debate to refer to Senators except as provided in clause 1, rule XVII.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 50 minutes p.m.), the House stood in recess subject to the call of the Chair.

#### NOTICE

***Incomplete record of House proceedings. Except for concluding business which follows, today's House proceedings will be continued in the next issue of the Record.***

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7953. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Ac-

quisition Regulation Supplement; Buy-to-Budget Acquisition of End Items [DFARS Case 2002-D036] received April 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

7954. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Multiyear

Contracting Authority Revisions [DFARS Case 2002-D041] received April 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

7955. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Contract

Period for Task and Delivery Order Contracts [DFARS Case 2003-D097] received April 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

7956. A letter from the Assistant General Counsel for Regulatory Services, Department of Education, transmitting the Department's final rule — Community Technology Centers Program (RIN: 1830-ZA05) received April 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7957. A letter from the Assistant General Counsel for Regulatory Services, Department of Education, transmitting the Department's final rule — Family Educational Rights and Privacy Act (RIN: 1855-AA00) received April 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7958. A letter from the Assistant Secretary of Labor, Employment and Training Administration, Department of Labor, transmitting the Department's final rule — Senior Community Service Employment Program (RIN: 1205-AB28) received April 21, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7959. A letter from the Senior Regulatory Officer, Wage and Hour Div., Department of Labor, transmitting the Department's final rule — Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees (RIN: 1215-AA14) received April 29, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7960. A letter from the Special Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Mangum and Erick, Oklahoma) [MM Docket No. 01-218; RM-10237] received April 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7961. A letter from the Director, Division for Strategic Human Resources Policy, Office of Personnel Management, transmitting the Office's final rule — Agency Use of Appropriated Funds for Child Care Costs for

Lower Income Employees (RIN: 3206-AJ77) received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

7962. A letter from the Federal Register Certifying Officer, Department of the Treasury, transmitting the Department's final rule — Indorsement and Payment of Checks Drawn on the United States Treasury (RIN: 1510-AA45) received March 30, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7963. A letter from the Acting Under Secretary and Acting Director, U.S. Patent and Trademark Office, Department of Commerce, transmitting the Department's final rule — Revision of Patent Term Extension and Patent Term Adjustment Provisions [Docket No. 2003-P-029] (RIN: 0651-AB71) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7964. A letter from the Acting Assistant Counsel for Regulatory Law, Office of Environment, Safety, and Health, Department of Energy, transmitting the Department's final rule — Guidelines for Physician Panel Determinations on Worker Requests for Assistance in Filing for State Worker's Compensation Benefits; Procedural Amendments (RIN: 1901-AB13) received April 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7965. A letter from the Rules Administrator, Federal Bureau of Prisons, Department of Justice, transmitting the Department's final rule — Smoking/No Smoking Areas [BOP-1084-F] (RIN: 1120-AA79) received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7966. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule — Re-Issuance of the NASA FAR Supplement Subchapters A and B Consistent with the Federal Acquisition Regulations System Guidance and Policy (RIN: 2700-AC65) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7967. A letter from the Assistant Administrator for Procurement, National Aero-

nautics and Space Administration, transmitting the Administration's final rule — NASA Grant and Cooperative Agreement Handbook — Certifications, Disclosures, and Assurances (RIN: 2700-AC96) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7968. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule — Re-Issuance of NASA FAR Supplement Subchapter D (RIN: 2700-AC84) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7969. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule — Re-Issuance of NASA FAR Supplement Parts 1813 and 1817 (RIN: 2700-AC83) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7970. A letter from the Director, Regulations Management, National Cemetery Administration, Department of Veterans Affairs, transmitting the Department's final rule — State Cemetery Grants (RIN: 2900-AH46) received April 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

7971. A letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule — Board of Veterans' Appeals: Rules of Practice — Medical Opinions From the Veterans Health Administration (RIN: 2900-AK52) received April 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

7972. A letter from the Chief, Regulations & Procedures Division, Alcohol & Tobacco Tax & Trade Bureau, Department of the Treasury, transmitting the Department's final rule — Temecula Valley Viticultural Area (2001R-280P) [T.D. TTB-10; Re: ATF Notice No. 958] (RIN: 1513-AA40) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.